

**ANGLIA RUSKIN UNIVERSITY**

**FACULTY OF BUSINESS AND LAW**

**ADAPTING TO SURVIVE: BUSINESS MODEL RECONFIGURATION  
AMIDST INSTITUTIONAL VOIDS—A MULTIPLE CASE STUDY IN  
GHANA**

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**A thesis in partial fulfilment of the requirements of Anglia Ruskin  
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**ABSTRACT**

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Business Model Innovation (BMI hereafter) brings rewards to a business, but in their quest to innovate their business models and achieve these rewards, firms operating in a weak and underdeveloped institutional context are faced with additional difficulties in their quest to do so. A weak and underdeveloped institutional context increases the transaction costs and operational challenges of businesses operating in them as they would have to battle with myriads of institutional voids. This research investigates the BMI processes of SMEs operating in a developing country with several institutional voids. The study adopts a qualitative approach to investigate how these SMEs have innovated their business models amidst the myriads of institutional voids they face and how these institutional voids have influenced them in doing so. A multiple case study is conducted on 14 Ghanaian SMEs in-situ to examine how they have innovated their business models and how the institutional voids in their country influenced them in doing so. The institutional voids framework Khanna and colleagues (Khanna and Palepu, 1997; Khanna, Palepu and Sinha, 2005) was used to frame the context of this work. Several findings emerged from the study, but there were four key contributions. 1) The institutional voids SMEs face compels them to adopt building resilient business models as their primary institutional strategy. 2) An institutional voids framework for studying the BMI environment in SMEs was proposed. 3) BMI in SMEs is a series of reconfigurations in the auxiliary aspect of their business model. 4) The content of the BMI process in SMEs remains unformulated. The results suggest that institutional bodies and organisations that support SMEs in developing countries should consider lending them more support around BMI if they seek to enhance the competitiveness and survivability of these SMEs.

**Keywords:** business models, business model innovation, business model reconfiguration, institutional voids, institutional strategies, SMEs

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## **LIST OF ABBREVIATIONS**

BMI	Business Model Innovation
BMR	Business Model Reconfiguration
e.g.	exempli gratia (for example)
et al.	et alia (and others)
etc.	et cetera (and so on)
i.e.	id est (that is)
MNCs	Multinational Corporations
MOTI	Ministry of Trade and Investment
N/A	Not applicable
NBSSI	National Board for Small Scale Industries
R&D	Research and Development
SME	Small and Medium Enterprise
XXXX	Original name anonymized

## **CHAPTER 1: INTRODUCTION**

### **1.1 OVERVIEW**

Cast your mind 50 years back, pick any business and ask, “Would that business be competitive in today’s business environment if it were to operate today as it did 50 years back?” The answer to this rhetorical question is unlikely to be yes. Several business managers and academics state that in most cases, product/service and process innovation are inadequate to sustain a competitive advantage today and companies have to profoundly rethink their business models (Zott, Amit and Massa, 2011; Amit and Zott, 2012). The list of once very competitive organisations that are either gone is no longer relevant or are hanging on desperately for their survival is a long one. Toys ‘R’ Us, Research in Motion (RIM), Nokia, Blockbuster, Lehman Brothers, is to name but a few.

Having to deal with change in the business environment is nothing new to companies. What is indeed new in today’s business environment is the accelerating pace of change (Hamel, 2000), increasing complexity and fierce competition (Morris, 2003; 2013; Voelpel, Leibold and Tekie, 2004) and the transient nature of any competitive advantage (McGrath, 2013) that can be hung onto. The internet seems to be a significant driving force behind the transformation taking place in the business environment (Tapscott, 2001). Nevertheless, other factors are contributing to this accelerating pace of change in the business environment as well, namely: globalisation (Tapscott, 2001); shorter product life cycles (Chesbrough, 2006); changing consumer tastes and preferences (KPMG, 2014); increasing R&D costs (Chesbrough et al., 2006); deregulation and privatisation (Voelpel, Leibold and Tekie, 2004); increased reliance on knowledge and intellectual (intangible) assets (Sveiby, 1997; Davenport and Völpel, 2001); industry convergence (Tapscott, 1998; Prahalad and Oosterveld, 1999); reformulation and deconstruction of traditional business structures of organisations and value chains (Evans and Wurster, 2000); and disintermediation and reintermediation (Kelly, 1998; Prahalad and Oosterveld, 1999; Evans and Wurster, 2000).

The nature of the new economy is no longer one with relatively clear industry boundaries and unassailable competitive advantage. Instead, what is now being witnessed is a global business ecosystem where the only truly sustainable competitive advantage comes from out-innovating the competition (Moore, 1993) or by creating a portfolio of transient advantages (McGrath, 2012). Indeed, the pace of change in the business environment is not likely to slow down. If

anything at all, it is likely to accelerate even more. Considering the various advances being made in information technologies, and their potential impacts on businesses plus the rippling effects of megatrends, change in the business environment can only increase. Megatrends such as global economic power shift, economic interconnectedness, increasing use of mobile devices, climate change concerns, and urbanisation, will be major contributing factors that will alter the way of doing business in 2030 (KPMG, 2014). Operating in the new economy is challenging, and firms need to change their business models—their products, markets, distribution channels, organisational structures, cultures, and more (Tapscott, 1997). This new business environment characterised by discontinuous and abrupt change firms find themselves in has acquired several names, such as the ‘new economy’ (Tapscott, 1997) and the ‘age of revolution’ (Hamel, 2000) to name just some of them. Businesses operating in this so-called new economy find that they must always change or be prepared to change regularly because of the rampant changes in their environment (Tapscott, 1997, 2001). All this put together renders the innovation imperative more key now than ever (Dess and Picken, 2000; Tushman and O’Reilly, 1996, 2002)

## **1.2 BACKGROUND OF THE STUDY**

As companies must be continually engaged in the process of innovation in the new economy, the question that has been asked by researchers and practitioners alike is, where should businesses focus their innovation efforts (Moore, 1993). There are, it seems, many answers to this question as firms can focus their innovation efforts on several aspects of their business (for instance innovation efforts can target the firm’s inbound and outbound logistics, operations, products, organisational structures, network and alliances, etc.) Several types of innovations exist as a result, and firms faced with limited resources must choose judiciously which type of innovation to invest much of their efforts in order to yield the maximum possible returns. This notion has contributed to the rise of innovation in the business model as there is consensus among academics (Zott, Amit and Massa, 2011; Wirtz et al., 2015; Chesbrough, 2007, 2010; Teece, 2010; Demil and Lecocq, 2010; Osterwalder and Pigneur, 2010; Yunus, Moingeon and Lehmann-Ortega, 2010; Santos, Spector and Van der Heyden, 2009) and practitioners (Giesen et al., 2007; Johnson, Christensen and Kagermann, 2008; Johnson, 2010; Pohle and Chapman, 2006) that it is the form of innovation that yields the most returns on investments since it fundamentally transforms *how* business is done.

In fact, in today's business environment where almost any form of innovation can be imitated, replicated or overdone by a determined competitor—from product to service and technology—BMI has been viewed as a more reliable source of competitive advantage (Casadesus-Masanell and Zhu, 2013). Notably, an innovative business model with an internal fit (Siggelkow, 2001; 2002) whose inner workings are not visible to outsiders can be challenging to imitate (Markides and Sosa, 2013; Santos, Spector and Van der Heyden, 2009). Moreover, even where the inner workings of an innovative business model are visible to outsiders, the existence of trade-offs makes it extremely difficult for competitors to respond to it (Markides, 2008) let alone imitate it. The challenge in responding to innovative business models is why, writes Markides (2008), innovative business models have become such potent competitive tools for businesses.

It is understandable then why BMI is of so much interest now. The percentages cited in two commonly referenced studies will help illuminate this point. One is the study by The Economist Intelligence Unit (2005) which revealed that a majority of managers (about 54% in their study) are more confident in BMI than in new products or services to develop a competitive advantage. The other one is, IBM's global CEO study (Pohle and Chapman, 2006), which also pointed in the same direction and even revealed the benefits business model innovators enjoy. The study revealed that competitive pressures have pushed BMI much higher than expected on CEOs' priority lists and that business model innovators financially outperform product/service and process innovators (Pohle and Chapman, 2006). Considering the preceding discussion, the significance of BMI research cannot be overstated. This research will be about business models and their innovation, and the next section will throw some light on academic research that has been carried out on the subject.

### **1.3 BUSINESS MODELS AND THEIR USEFULNESS**

Business models, Teece (2010) points out, have been integral to trading and economic behaviour since pre-classical times, and thus, it is not a new phenomenon despite its recent popularity. The term "Business model" itself has been present in scientific discussions for decades (Wirtz et al., 2015). Osterwalder, Pigneur and Tucci (2005) share Wirtz et al.'s (2015) conclusion by revealing that the phrase "Business model" appeared for the first time in an academic article in 1957 (in the paper by Bellman et al., 1957) and in the title and abstract of a paper in 1960 (in the paper by Jones, 1960). However, business models became popular in the mid-1990s and its increase in popularity around that time has been attributed to the rise of the internet and the e-

business boom at the time (Osterwalder, Pigneur and Tucci, 2005; Zott, Amit and Massa, 2011; Demil and Lecocq, 2010; Morris, Schindehutte and Allen, 2005; Santos, Spector and Van der Heyden, 2009; DaSilva and Trkman, 2014). Ever since it became mainstream, the business model has been gathering momentum thereon, and research on the concept and its use in popular discourse keeps proliferating. The popularity of the business model has even led to its theoretical validity and usefulness being questioned (Arend, 2013; Porter, 2001) and some authors (see Zott and Amit, 2013) as a result have defended the credibility and validity of the concept, asserting its validity and distinguishing it from other seemingly similar concepts.

Zott and Amit (see Zott and Amit, 2013; Amit and Zott, 2001) reviewed several theoretical perspectives—namely value chain, the theory of innovation, the resource-based view of the firm, strategic network theory and the transaction perspective of firms’—that address value creation in a firm and concluded that, although these viewpoints do a good job, none of them holistically captures the value creation and delivery in a firm compared to the business model concept. Others (see Teece, 2010; Markides, 2015; Baden-Fuller and Mangematin, 2013) have added to this and asserted that the validity of the business model as a concept allows firms to articulate their value creation and value appropriation. In fact, the business model is key to commercialising new technologies (Chesbrough and Rosenbloom, 2002; Chesbrough, 2010) and it is argued that the same product taken to market via two distinct business models may yield different economic results (Chesbrough, 2010). The business model concept, therefore, is of significant practical value as it is so fundamental to performance (Magretta, 2002). Thus, the study of the concept might offer benefits to executives and academics alike in trying to understand why some companies perform better than others (McGrath, 2010). Perhaps, some examples will help vivify the significance of the business model concept. Of the top 12 companies which made up the Dow Jones index in 1900, Tidd and Bessant (2013) reveal that only one—i.e. General Electric—survives today, and also out of the 500 companies initially making up the Standard and Poor 500 list in 1857, Foster and Kaplan (2001) point out that only 74 remained on the list through to 1997. In addition to these historical facts, some popular success stories of BMI (for instance Apple with its iTunes and ‘iProducts’, Gillette’s razor-and-blades business model) as well as some notable failures (e.g. Kodak in the photography industry, Nokia in smartphone industry) press home the importance of reassessing and redesigning the way businesses create, deliver and capture value or in short; the importance of BMI.



## **1.4 BUSINESS MODELS AND THEIR INNOVATION**

In addition to product/service and process innovation, business models themselves have become a locus of innovation (Zott, Amit and Massa, 2011). There is consensus in extant literature that innovative business models have become a critical differentiator between firms. It is a significant source of sustainable competitive (Amit and Zott, 2012; Eyring, Johnson and Nair, 2011; George and Bock, 2011; Giesen et al., 2007; Hamel, 2000; Johnson, Christensen and Kagermann, 2008; McGrath, 2010; Teece, 2010) and, business profit and growth (Casadesus-Masanell and Ricart, 2010). Thus, all firms aiming to remain competitive must continuously innovate their business models (Mitchell and Coles, 2003). Furthermore, BMI is also viewed as a way to respond to rapidly changing environments (Zott and Amit, 2010; McGrath, 2011) “...including deregulation and privatization, technological changes and globalization” (Voelpel, Leibold and Tekie, 2004, p.263), as well as global competition from existing and/or new competitors and market disruptions (Casadesus-Masanell and Ricart, 2011; Doz and Kosonen, 2010; Giesen et al., 2010; McGrath, 2011). The many positives BMI possess has unsurprisingly led to BMI receiving great research efforts, and frameworks (Florén and Agostini, 2015; Bucherer, Eisert and Gassmann, 2012; Mahadevan, 2004), and recommendations (Chesbrough, 2007, 2010; Santos, Spector and Van der Heyden, 2009; Markides, 2008; Zott and Amit, 2008) on practising and executing it successfully abound.

Regardless of the advancement in the BMI literature since its emergence in the 1990s, an interesting thing to note is that the bulk of BMI research has been based in developed economies. Although there are exceptions to the forgone statement (the work of Yunus, Moingeon and Lehmann-Ortega (2010) for instance) research concerning BMI in developing economies has been marginalised in the existing literature, and this represents a gap in our current understanding of BMI. BMI research based in developed economies takes for granted the existence of stable and well-developed institutions that support and make possible the functioning of the businesses operating in them. Such assumptions cannot be extended to developing economies which tend to be characterised by weak institutions (North, 1990) and institutional voids (Khanna and Palepu, 1997; 2010). For instance, the way a small grocery retailer operating in London, UK will innovate its business model will be starkly different from how a similar firm in Accra, Ghana will innovate its business model due to the significant differences in the institutional context of the two firms. The former takes for granted a wide range of well-developed institutions that supports business operations, whereas in the case of the latter such institutions are likely to be absent or underdeveloped (Khanna and Palepu, 1997).

For example, the Doing Business report by the (World Bank, 2016) which captures several critical dimensions of the regulatory environment as it applies to local firms, ranks the UK 7th and Ghana 108th out of 190 economies in the same ranking table. A simple and relatively uncontroversial interpretation of the ranking the two countries occupy is that in the UK, the regulatory environment for businesses will be more robust and reliable with less institutional voids compared to Ghana. This helps throw some light on how the situation on institutional voids may differ enormously in both economies, and one can immediately see how BMI in both cases for firms operating in them will differ.

Also, much research has been conducted on business models and their innovation, but an overwhelming majority of the research is skewed towards larger firms (e.g. Doz and Kosonen, 2010; Amit and Zott, 2012; Charitou and Markides, 2002; Johnson, Christensen and Kagermann, 2008; Dellyana, Simatupang and Dhewanto, 2016; Johnson, 2010), e-businesses (Timmers, 1998; Amit and Zott, 2001) and start-ups headline-making (e.g. Chesbrough and Rosenbloom, 2002; Peprah and Giachetti, 2017). The existing SMEs perspective, in particular, has received little attention as most of the available research does not take an SME focused (Puhakainen and Malinen, 2009). This is beginning to change as researchers are beginning to take BMI seriously in SMEs. For example, a search on ProQuest-database (narrowed to scholarly articles) for research involving SMEs and business models gave only 25 results in 2009 (Puhakainen and Malinen, 2009). A similar search by the author of this work on November 5, 2016, produced 2,057 results. This may testify that the importance of BMI in SMEs is gradually being recognised.

Improving our understanding of BMI in SMEs does not necessarily demand a total rejection of previous research on the subject in larger firms as particular insights from there may prove useful. Another limitation in the present body of research that needs to be emphasised is that the bulk of the literature on BMI has been conceptual or theoretical (e.g. Chesbrough, 2007, 2010; Casadesus-Masanell and Tarzizán, 2012; Baden-Fuller and Mangematin, 2013). Empirical research on BMI in incumbent SMEs is notably lacking (Puhakainen and Malinen, 2009), and this research is an attempt to help fill that gap.

## **1.5 GAPS AND POTENTIAL CONTRIBUTIONS TO LITERATURE**

The traditional approach thus far in BMI research, as mentioned earlier, has been to assume an excellent institutional context as background (some notable exceptions Khanna and Palepu,

2010; Peprah and Giachetti, 2017; Dunford, Palmer and Benveniste, 2010; Dahan et al., 2010; Eyring, Johnson and Nair, 2011) for businesses but this approach is problematic considering the differences in institutional contexts across countries. The present study, therefore, takes a context-driven approach (Galvin, 2014) which takes the position that institutions will have to be at the forefront of BMI research if our knowledge on the subject will be relevant to the various businesses that are being studied. The central focus of this study then is to investigate BMI in firms operating amidst institutional voids in a developing economy.

Before discussing the gaps in the literature and presenting the potential contributions of this study, the main concepts in the work will be briefly explained to give the reader a working idea of how these terms will be used. A more detailed exposition of these terms is reserved for the literature review chapter. Regarding the business model, as Teece points out, it refers to “how the enterprise creates and delivers value to customers, and then converts payments received to profits” (Teece, 2010, p.172). The business model thus encompasses all the activities the focal firm undertakes to create, deliver and capture value. Following the definition of the business model, BMI is taken to mean the nontrivial changes that in the firm’s business model (more on this in section 2.4.1). Here, BMI refers to the various nontrivial and novel changes the firm makes to its business model. That is to say, BMI is viewed as a spectrum of changes—be it incremental, radical or both—that can occur in the focal firm’s business model.

As the research contextualizes the study with institutional theory, specifically from research on institutional voids, clarifying the meaning of institutions is essential. As North (1990) puts it, broadly speaking, institutions refer to the rules of the game, or the humanly devised constraints that exist in a society to guide the actions of humans. These humanly devised constraints/rules—i.e. institutions—can function well or poorly in different countries. Where the institutions work poorly, there exist institutional voids. In a perfect market, there will be no institutional voids, but since in reality, there are no such things like perfect markets all nations will have some amount of institutional voids, albeit some more than others (North, 1990; Khanna and Palepu, 2010, 1997). This research focuses on SMEs, and they are defined in the work using the staff headcount.

As pointed out earlier in the introduction, research on BMI has often been on large MNEs (e.g. Amit and Zott, 2012) or headline-making start-ups (e.g. Casadesus-Masanell and Ricart, 2010) mostly operating in developed economies in the West. SMEs are a demanding field of research because of their heterogeneous nature (Curran and Blackburn, 2001). They should not be

considered as smaller versions of large corporations, as they face somewhat different challenges (Jones and Tilley, 2003). As a result, encouraging innovation in SMEs and enhancing their competitiveness remains at the heart of policy initiatives for stimulating economic development at the local, regional, and national levels (Jones and Tilley, 2003; Storey, 1994). SMEs in many industries are facing the need to change their business models radically and seize new business opportunities or fall out of business (Lampela, Taipale-Eräväla and Heilmann, 2014) due to the rapid changes in the business ecosystem. In the face of these challenges, BMI could prove useful to existing SMEs in their quest to remain competitive and enhance their survivability. Most SMEs are known to still lack awareness and knowledge about approaches and proper tools on how to innovate their business model (Lindgren, 2012), but there is some evidence to suggest that those SMEs that can develop innovative business models are high performers (Brannon and Wiklund, 2016).

The triggers/antecedents of BMI (Bucherer, Eisert and Gassmann, 2012; Carayannis, Sindakis and Walter, 2015; Mahadevan, 2000; Markides, 2008), core elements of BMI (Mahadevan, 2004), frameworks for analysing BMI (Marolt et al., 2016; Bouwman, MacInnes and De Reuver, 2006; Bucherer, Eisert and Gassmann, 2012; Florén and Agostini, 2015), types of BMI (Bucherer, Eisert and Gassmann, 2012; Florén and Agostini, 2015), BMI leadership strategies (Lindgren, 2012), and BMI process in [larger] firms (Frankenberger et al., 2013; Sniukas, 2015) have been explored in extant literature. Narrowing in on SMEs, although they have been marginalised, some researchers have paid attention to them and why they innovate their business models and the results of BMI in them have been treated empirically (e.g. Marolt et al., 2016) and conceptually (Puhakainen and Malinen, 2009). Answers to why SMEs engage in BMI, how they go about it, and the results of BMI in their case are known. What is not clear from the extant literature on BMI in SMEs is the BMI process itself. Little is known about the actual intra-firm process that churns out an innovative business model in SMEs. It remains somewhat of a black box waiting to be opened and explored. Indeed, Lindgren (2012) points out that SMEs practice BMI blindly. A conclusion shared by Marolt et al. (2016), as they found from their research that, some established SMEs have engaged in BMI several times in their existence without using any of the known business model ontologies or tools.

These insights suggest that SMEs passively innovate their business models. However, considering the significance of BMI to firms and the potential innovative business models holds for SMEs amidst institutional voids, this research seeks to investigate and understand the

process of BMI in SMEs operating amidst institutional voids. Awareness of the fact that BMI is difficult even for large incumbent firms despite their large resource base (Koen, Bertels and Elsum, 2011), means that the significance of investigating the nature of BMI process in SMEs cannot be overstated; considering their relatively smaller resource base. The process of BMI to be studied in this work can be seen as an investigation of all the activities and processes that ensue when an SME migrates from the ‘as-is’ business model to a ‘to-be’ business model (i.e. innovated business model). This research will take a different twist and focus on incumbent small businesses operating in a developing country rife with institutional voids.

This research attempts to make three significant contributions to the literature. The first of which will be to draw from institutional theory literature to answer, “how the setup of the ecosystem affects the speed and pattern of BMI” (Björkdahl and Holmén, 2013, p.223) in SMEs operating in a developing economy—i.e. Ghana. For instance, it is known that one strategic option firms employ when faced with overwhelming institutional voids is to adapt their business model to local conditions (Doh et al., 2017), so how this adaptation is made in SMEs will make up the first contribution of the work. The second contribution will be toward the literature on institutional voids as the present study looks into how institutional—i.e. formal and informal—voids affect BMI process in small businesses. The last contribution will be to the literature on management research in Africa—an area that has remained mostly off researchers’ radar screen (Jackson, 2004)—as the present study combines BMI and institutional theory to develop management theories relevant to Sub-Saharan African organisations.

## **1.6 RESEARCH QUESTIONS AND OBJECTIVES**

The study takes a qualitative approach to investigate how 14 small businesses operating in Ghana, a developing country with considerable institutional voids, were able to innovate their business models. To probe thoroughly and answer the question, how do SMEs innovate their business models amidst institutional voids, the following research questions have been formulated for the thesis:

1. How do SMEs sense and assess opportunities to reconfigure their business model?
2. How do SMEs initiate, coordinate and implement changes in their business model?
3. What is the nature of the BMI process SMEs, and how does the institutional context within which they operate influence the process?
4. How do SMEs assess the outcomes of the business model innovation process?

To answer the above research questions, the following research objectives have been set. They are:

1. **Sensing and response formulation mechanisms:** To identify and explain the mechanisms small businesses employ to identify and assess triggers for BMI, how they formulate their response (s), and how they initiate and implement BMI.
2. **Intra-firm BMI process:** To understand and explain the nature of the “as-is” BMI process in SMEs and explain why it is so.
3. **A) Business model innovation Context:** To understand the institutional context within which BMI takes place in SMEs and how this context influences the process.  
**B) Enabling factors on the process:** To identify, understand and explain the significant enabling factors that influence the BMI process in small businesses and why these influences.
4. **Results assessment mechanisms:** To identify the approach SMEs use to assess the outcome of the BMI process.
5. **Recommendations:** Base on findings to postulate implications to the theory and practice of BMI in small businesses.

By meeting the above research objectives, this research will contribute new knowledge by providing insights on the BMI process in SMEs and its peculiarities.

## **1.7 RESEARCH SCOPE AND CONTEXT**

BMI is a broad area, and all the aspects of the subject cannot be studied in any one research. The scope and context of the study are paramount, and thus, an aspect of BMI will be the focus of this research. To ensure that this research is productive and broad enough to produce new knowledge without drowning in unnecessary complexity, the intra-firm process of BMI will merit the attention of this research. A firm-level of analysis will be adopted to investigate the process of BMI in SMEs amidst institutional voids. One may ask why the context of this research is a developing country? The answer is threefold. First of all, the bulk of academic research on BMI has been in developed countries who are known to have excellent and well-developed institutions (North, 1990). Since the bulk of the available research is on developed countries with developed institutions and relatively less institutional voids for that matter, this research argues that a change in the institutional context of BMI can extend current understanding.

Many contexts (e.g. Social entrepreneurship, government organisations) have received little, or no attention in BMI literature (Hossain, 2016a), and studies of BMI in the developing country context is one of them. BMI in the developing country with institutional voids can yield new insights since thus far, there is little on BMI studies in such a context, and to the researcher's knowledge, no BMI research has coupled institutional theory with BMI research to investigate the BMI process in SMEs. For example, based on insights from the 2016 ease of doing business index by the World Bank (2015) and the 2014-15 Global Competitiveness Index by the World Economic Forum (2014), government and institutional support in developed countries for businesses is far higher than what exists in developing countries. It can be argued then that BMI in both economies might differ significantly. Also, what creates productivity and competitiveness of an SME in say UK (a developed economy) may not be same as what drives productivity and competitiveness in a similar SME operating in Ghana (a developing country).

These viewpoints form part of the factors that led to the research being staged in the context of a developing country with a different institutional context. In summary, the scope of this research will be an investigation of the BMI process at the firm level of analysis, in a developing economy setting, respectively.

## **1.8 METHODS AND METHODOLOGY**

In this section, a synopsis of the research methods will be presented as a more detailed presentation of it is reserved for the methods and methodology chapter of the thesis. The following five sub-sections will touch on the research philosophy, the approach to theory building, the research strategy, the methodological choice, and the time horizon coupled with the techniques and procedures of this study.

### ***1.8.1 Research philosophy***

Reality is complex, and any attempt to study it will be complex also. Several methods and methodologies are at the disposal of researchers, but the right selection needs to be made for a proper study of the phenomenon or reality being studied. The work adopts a social constructionists ontology (Lincoln and Guba, 2013) and an interpretivist epistemology (Burrell and Morgan, 1979) to investigate the subject matter of the thesis. The context-driven nature (Galvin, 2014) of the work and the social constructionist position adopted dictates that the local

context of the phenomenon being studied, and the view of the interviewees will be crucial in the analysis and interpretation of data.

### ***1.8.2 Approach to theory building***

The approach to theory building in this research is inductive. This research is not aimed at discovering findings that are to be generalised. Instead, it seeks to explore a phenomenon (i.e. BMI process) in a different institutional context (i.e. developing country) to broaden current understanding on the BMI process. That does not mean the findings of the research will be trivial as they may be transferable (Lincoln and Guba, 1985) to other similar contexts or serve as a basis for future theory-testing research (Saunders, Lewis and Thornhill, 2016).

### ***1.8.3 Research strategy***

A case study strategy will be adopted for the research. Considering the inductive and explanatory nature of the study and its goals towards theory building, a case study strategy will allow for the subject matter of the research to be studied in-depth. A case study allows an in-depth study into a topic or phenomenon within its real-life setting (Yin, 2013). The ‘cases’ to be studied in this research will be the ‘BMI process’ and the ‘SMEs’. A multiple case study is chosen over a single case to ensure literal replication that will lend more support for the resulting theory of the research (Yin, 2013). There is no upper or lower limit concerning the number of cases to be included in a study (Ghauri and Grønhaug, 2005), but this research will consist of 14 case studies. A purposive sampling technique will be adopted as in qualitative research sampling tends to be theory-driven to allow the selected sample to represent the phenomenon/case being studied (Bryman and Bell, 2015; Miles and Huberman, 1994).

### ***1.8.4 Methodological choice***

To generate significant and nuanced insights that are context-relevant (Galvin, 2014) with the potential to produce detailed empirical descriptions and good theory development, a qualitative methodology will be employed in the case study (Saunders, Lewis and Thornhill, 2016). This will involve data collection using semi-structured interviews supplemented with extra information from the interviewees where such information (e.g. website and social media content, company records, etc.) is available to make exhaustive analysis possible. Owner-



managers of the selected SMEs and institutional bodies in charge of regulating the operations of Ghanaian SMEs are interviewed for the research. The limited range of data collection tools being used here for the SME participants is not a weakness of this research but rather an indication of the challenges of studying SMEs who tend to lack clear structures and recording procedures making measurement more complicated in their case (Curran and Blackburn, 2001).

#### ***1.8.5 Time horizon, techniques and procedures***

The duration for the PhD and costs involved in conducting field research in Ghana while studying full-time in the UK compels the research towards cross-sectional data. Data will be collected via semi-structured questionnaires and examined by doing a thematic analysis, within and across cases, aided by NVivo (Computer-Aided Qualitative Data Analysis software).

### **1.9 RESEARCH STRUCTURE**

This thesis will consist of seven chapters. The first chapter introduces the research, gives a background to the study, presents an overview of the work and goes on to identify the potential contributions to literature. Chapter two is the review of the literature, presentation of the gaps in knowledge, and an elaboration of the theoretical frameworks to be used in this study. In this chapter, various developments and debates in the literature on BMI is conducted alongside the other key areas—such as institutional theory—the research draws from. The third chapter discusses the pilot study conducted before the fieldwork before the fourth chapter goes on to give an in-depth discussion of the methods and methodology used in this study. Chapter five will present the data collected for this study, and after that, the analysis of the data collected will be presented in chapter six. Chapter seven will entail a discussion of the results from the data analysis and justifications for the interpretations made in the analysis. Lastly, once all that is done, the later parts of chapter seven will be dedicated to summarizing and concluding the research. That is where the contributions to knowledge will be presented as well as suggestions for future research on the subject.

### **1.10 CONCLUSION**

In this chapter, an overview and background to the entire research have been presented as well as the scope and context of the research, a summary of business models, their utility and their

innovation has been presented pointing out gaps and potential contributions that this study can make to the literature. An overview of the research approach and research questions have also been discussed. Lastly, the chapter presented the structure of the research and the order in which the following chapters will unfold.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 OVERVIEW

Any literature review on BMI in SMEs will rarely be an uncomplicated task as the key concepts that make up the concept have debates surrounding their meaning. It is apparent that BMI is made up of the terms ‘business model’ and ‘innovation’. However, to say what these two terms mean will not be straightforward as both concepts have several connotations and debates around what their correct meanings should be or not be (see Zott, Amit and Mass’s discussion (2011) about debates on business models; see Garcia and Calantone (2002) for debates on what constitutes innovation). Same applies to the meaning of SMEs. Internationally the abbreviation ‘SME’ is used to address Small and Medium-Sized Enterprises (Tewari et al., 2013). However, what can or cannot be considered as an SME, and the proper way to go about defining it is equally complicated (see Storey, 1994). Considering that some of the central concepts (i.e. business model, BMI and SMEs) of this research are embedded in a multiplicity of meanings, they will be unpacked and understood in the light of extant literature before the research questions can be adequately considered.

In the sections that follow, the meaning of the terms ‘business model’ (see section 2.2) and ‘innovation’ (see section 2.3) will be considered. Then afterwards, whether BMI means the combination of ‘*business model*’ and ‘*innovation*’ or it does not, will be addressed (see section 2.4). The fourth section will treat the meaning of an SME and some ways in which they are defined (see section 2.5). The fifth section of the literature review will discuss what is being from institutional theory for this work and how it will be adapted for this research (see section 2.6).

### 2.2 THE BUSINESS MODEL CONCEPT

There are almost as many authors on business models as there as definitions. This is an overused metaphor by business model researchers’, but it illustrates well the challenge one has to grapple with when attempting to define the business model. To appreciate the contributions and influences that the myriads of perspectives and definitions on business models have had on the evolution of the concept, it is best to begin the review on the early days of the concept. This will not be an exhaustive history of the evolution of the business model concept. Instead, the goal is

to give a narrative that is coherent enough to capture the essential meaning of the business model. This narrative may seem trivial, but the author contends that researchers on the business model have a particular narrative—mostly implicit—that guide their approach to treating the concept.

It is difficult to come out and say that one business model definition among the many that exist is better than the other. This is because the way the business model is conceptualised usually depends on the ‘*lens*’ (e.g. Philosophical, subject area etc.) through which the term “*business model*” is viewed (Jensen, 2014). In the face of no generally agreed-upon definition, researchers on the business model field are inclined to produce, adopt or adapt a definition suitable for their work. Indeed, Zott and Amit (2013) suggest that researchers provide a clear definition of what a business model is to avoid ambiguity and confusion of the meaning of business models in their work. Before the more abstract and nuanced meaning of the business model can be argued for, a basic understanding of the fundamental meaning of the business model concept will be useful as it will serve as a foundation for later arguments. An eclectic and pragmatic approach like that of Osterwalder (2004) and Jensen (2014) will be adopted towards this end. First, the underlying meaning of the business model will be clarified, then existing contributions on the concept will be drawn upon to conceptualise the business model.

The term business model intuitively suggests that the term is a two-dimensional construct, consisting of the terms ‘business’ and ‘model’ (Jensen, 2014; Osterwalder, Pigneur and Tucci, 2005). It is essential to highlight that, both words (i.e. business and model) can be used as a noun and/or as a verb, and that the sense (i.e. as a noun or verb) in which the words are used will reveal what is meant by a “business model” (Jensen, 2014). It is important to point this out as it helps dissipate some of the misconceptions surrounding the concept. As Arend (2013) asserts, *business model* and *business model* are not the same. Here, the difference in meaning as valuably pointed out by Arend (2013) is due to the senses in which the words are used since where the emphasis is placed will portray the particular meaning of the term “*business model*” being referred to. If the emphasis is placed on the *model*, the business model can be taken to mean a representation (i.e. model) of a business or business activity. On the other hand, an emphasis on *business* will suggest a way of doing business or a particular businesses model (Arend, 2013).

According to the Cambridge Online Dictionary, ‘*business*’ means:

- Business (as a verb): the activity of buying and selling goods and services

- Business (as a noun): a company that buys and sells goods and services
- Business (as a verb): work you do to earn money

It also defines '*model*' as:

- Model (as a noun): something that represents another thing, either as a physical object that is usually smaller than the real object or as a simple description that can be used in calculations

Putting these definitions together, a basic meaning of the business model can be described as follows:

*a simple description or representation of a company's activity of buying and selling goods/services— i.e. a combination of 'business' in the verbal sense and 'model' in the noun sense.*

Osterwalder shares this as he suggests that the term '*business*' in the expression '*business model*' relates to "the activity of buying and selling goods and services by a particular company" and "earning money from the activity" (2004, p.14). In general, models are used in science (e.g. economics or biology) as approximations or representations of reality (Morgan, 2012). They are simplified representations of the reality they represent, and they are created for understanding, describing and predicting the reality they represent (Morgan, 2012). A careful look at how business models are used by their communities, according to Baden-Fuller and Morgan (2010), suggests three things. They (i.e. business models) act as various forms of scientific models that provide: 1)a means to describe and classify businesses; 2)a means to operate as sites for scientific investigations; 3)a means to act as recipes for creative managers (Baden-Fuller and Morgan, 2010). Thus, in the case of a business model, the model (i.e. representation) shall help understand, describe and predict the 'activity of buying and selling goods and services' and 'earning money' of a particular company (Osterwalder, 2004).

At this juncture, it must be pointed out that the *conceptual* business model approach outlined thus far is very abstract and quite distinct from '*business modelling*', which it is often confused with (Osterwalder, 2004). Business modelling has to do with the company's business process model (Gordijn, Akkermans and Van Vliet, 2000), or the modelling of the business processes, which is an entirely different concept from the business model—at least in its conceptual sense just described. Gordijn, Akkermans and Van Vliet (2000) mention that this confusion between

*'business model'* and *'business modelling'* comes from the research industry (i.e. practitioners') where the term business model is sometimes used for *'business process models'*. This, Gordijn, Akkermans and Van Vliet (2000) assert, is wrong.

From the preceding description, the business model as a *'conceptual model'* is what is emphasised and distinguished from business process modelling. However, the idea of the business model as a conceptual model implies that a certain reality is being represented—i.e. represented in the form of a model (Morgan, 2012). So, from this analysis, we come up face to face with the idea of the *'real-life business model'* (i.e. the business model in-itself or business model ontology) and the business model as a *'conceptual model'* (i.e. a representational view). These two conceptualisations give a vertical dimension to the business model concept, where the business model is viewed at varying degrees of abstractions (Jensen, 2014). When researchers use the term business model, close attention will reveal that it is implicitly being used at different levels of abstraction. Like Linder and Cantrell (2001), and Osterwalder and colleagues (Osterwalder, 2004; Osterwalder, Pigneur and Tucci, 2005), this work views the business model at three levels of abstractions, namely: the business model ontology, real business model, and business model constructs. The *real business model* is the business model of a firm in reality, and it is the most concrete sense of the word business model. At the other end of the abstraction spectrum, is the *business model ontology*. The business model ontology is an abstract concept aimed at capturing the *ontological essence* of the real business model. It is the highest level of abstraction of the term business model, and this area is where the most debate on business models happens in extant literature (see Magretta, 2002). Business model definitions, generic business models elements, components and their inter-relationships are explained by scholars at this level abstraction. The business model construct sits between the two extremes, and it involves different types of business model constructs/concepts. An example is the razor-and-blades business model, and these *'business model constructs'* serve different ends like fostering innovation, simulating opportunities, or act as a prototype to be studied scientifically (Baden-Fuller and Morgan, 2010). They signify the conceptual representations of certain generic business models, and this is the domain of business model frameworks (Osterwalder, 2004).

The foundations and clarifications discussed here will be useful throughout the review as it will be referenced as and when needed in order to avoid ambiguity where it can be avoided. Ending

the discussion on the foundations of the business model, the following conclusions can be drawn:

1. The business model is viewed as a conceptual tool (i.e. model) that depicts or represents a certain reality (i.e. business activity) of a business,
2. The business model is conceptualised at varying degrees of abstraction. At the most concrete level is the *real business model*, at the most abstract is the *business model ontology* and in between these two extremes are the *business model constructs* and *frameworks*.

### ***2.2.1 Analysis of business model definitions and perspectives***

The business model concept is being used in several disciplines (e.g. e-business, innovation, technology management, economics, entrepreneurship, marketing, etc.) with similarities and differences in their various conceptualisations. So, the starting point for any reasonable discussion on it will be a shared understanding of what a business model is (Osterwalder and Pigneur, 2010) as different authors write about business models when they do not necessarily mean the same thing (Linder and Cantrell, 2001). These inconsistencies among researchers on the meaning of a business model is what has contributed the fuzziness, vagueness and confusion about the meaning of the concept (Wirtz et al., 2015; Zott, Amit and Massa, 2011; George and Bock, 2011; Al-Debei and Avison, 2010; Morris, Schindehutte and Allen, 2005; Shafer, Smith and Linder, 2005). Unsurprisingly, there is no consensus on the business model's definition and its compositional elements (Wirtz et al., 2015; Zott, Amit and Massa, 2011; George and Bock, 2011). Appendix A provides a list of some definitions for the business model concept to illustrate this.

The business model literature has developed mainly in silos. However, Zott, Amit and Massa (2011) suggest that they can be broadly grouped in three silos: e-business, strategic management and, innovation and technology. These categorisations are not mutually exclusive, as they point out, but it allows to group views on the concept under the dominant themes under which they have developed. One of the first business model definitions that became very popular was proposed by Timmers (1998). Timmers (1998) defined a business model as 'an architecture for the product, service and information flows, including a description of the various business actors and their roles; and a description of the potential benefits for the various business actors; and a description of the sources of revenues.' This definition also influenced the definition of Weill

and Vitale (2001) and is also very similar to that of Mahadevan (2000)—see Appendix A. These conceptualizations and several others similar to it see the business model as an *architecture* and address it as a business network with a focus on the different roles of the actors and their interactions in the architecture. A network approach is also very explicit in Tapscott and his colleagues (Tapscott, 2001; Tapscott, Ticoll and Lowy, 2000). Because the definitions just highlighted are addressing the business model concept from an e-business context, it can be seen that they all follow a similar line of conceptualising the business model (Zott, Amit and Massa, 2011). The architectural and network nature of the business model is much emphasised in these conceptualisations to suit the nature of e-businesses. However, other definitions, particularly in more generic streams of research (e.g. strategic management or innovation and technology management), when conceptualising the business model, place more emphasis elsewhere compared to their counterparts in the e-business context (Zott, Amit and Massa, 2011).

Another early definition came from Rappa (2000) who viewed the business model as ‘the method of doing business by which a company can sustain itself—that is, generate revenue.’ This emphasis on the monetary aspects in terms of the revenue model, financial arrangements or profitability, is also prominent in some other definitions (e.g. Tucci and Afuah, 2001; Mullins and Komisar, 2009). These definitions often come also with a stronger emphasis on the organisation and competitive advantage (e.g. Tucci and Afuah, 2001), and Fielt (2011) mentions that this is much less of a surprise as these authors are looking at the business model in a strategic management context where profitability and competitive advantage are paramount. In fact, where the emphasis is placed in an author’s definition of the business model is dependent on the subject context in which the business model is being addressed. Fielt (2011) observes that most authors who include strategic aspects in their conceptualisation of business models do stress that business model does not cover or include the full strategy of the company (e.g. Chesbrough and Rosenbloom, 2002; Casadesus-Masanell and Ricart, 2011). Fielt (2011) goes on to add that more comprehensive definitions in the strategic management context combine the ideas of architectural representation of the business network and the generation of revenues for the focal organisation (e.g. Morris, Schindehutte and Allen, 2005). For example, Morris, Schindehutte and Allen (2005) define a business model as a concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create sustainable competitive advantage in defined markets. However, others



(e.g. Amit and Zott, 2001) are less inclusive in their definition of the business model as they tend to explicitly differentiate it from other concepts or exclude some specific elements.

Aside from the e-business model and strategic management context, the innovation and technology management domain has taken a different approach in the business model definition. For Chesbrough (2007), the business model is a useful framework to link ideas and technologies to economic outcomes. Chesbrough (2007) adds that it also has value in understanding how companies of all sizes can convert technological potential (e.g. products, feasibility, and performance) into economic value (price and profits). Business model studies that fall within the technology management silo tend to conceive of the business model in a similar vein (Björkdahl, 2009). In these conceptions, the business model is more of a vehicle for technological innovation(s) (Zott, Amit and Massa, 2011). In addition to adopting business models to facilitate technological innovation and the management of technology, firms can view the business model itself as a subject of innovation (Mitchell and Coles, 2003). This has been the approach to business model by those in the innovation studies domain. In this domain, the focus is on transforming the business model itself as it is the locus of innovation efforts. Innovating the business model then becomes a vehicle for corporate transformation and renewal (Demil and Lecocq, 2010; Johnson, Christensen and Kagermann, 2008; Sosna, Treviño-Rodríguez and Velamuri, 2010; Pohle and Chapman, 2006).

As may be apparent by now from the prior discussions of business model definitions, there is quite some uncertainty about the unit of analysis when authors define the concept (Fielt, 2014; 2011). Some definitions refer explicitly to a particular focal firm while others peg their definitions at the network level (i.e. a network of firms). Examples of definitions referring to the focal firm are that of Rappa (2000), Tucci and Afuah (2001) and Osterwalder, Pigneur and Tucci (2005). For definitions referring to the network level, Timmers (1998), Mahadevan (2000), Gordijn and Akkermans (2001), Weill and Vitale (2001) and Tapscott (2001) offer convincing renditions of it. Rarely do these definitions refer to both focal firm and network explicitly in order to make clear the unit of analysis (an exception, for example, is the definition of Shafer, Smith and Linder, 2005). Some omit the organisational entity out of their definition entirely (see, for example, the definitions of Chesbrough and Rosenbloom, 2002; Morris, Schindehutte and Allen, 2005; Fielt, 2014). While the explicit inclusion of—and the implicit focus on—a focal firm and network in the business model definitions differ, most of the authors do make clear the level of analysis in their conceptualisation during further discussions,

operationalisation and/or application of the business model concept (Fielt, 2014). The definitions that refer to the focal firms are not explicit about the unit of analysis of their definition—that is whether the organisation being referred to is the corporate or business unit (Fielt, 2014). The author of this work concurs with Fielt (2014) when Fielt points out that most definitions seem to imply the business unit level in their conceptualisations. Although settling on the business unit as a unit of analysis may be a fruitful approach for business models (Fielt, 2014), some definitions have a different unit of analysis than the focal firm or network. Such is the case with the specific product/service business model approach proposed by Bouwman et al. (2008).

To a large extent, it is left open in the literature whether a business unit has one business model or can have multiple business models sequentially and/or simultaneously (Osterwalder and Pigneur, 2010). Scholars are divided on the issue (Osterwalder and Pigneur, 2010), but some take the position that businesses can be ambidextrous and thus have dual business models (Winterhalter, Zeschky and Gassmann, 2016; Markides and Charitou, 2004). Most authors suggest spinning off new business model initiatives and physically separating them into distinct entities (Christensen, 2013). Others propose a less drastic approach and argue that new business models can thrive within established organisations without physical separation (e.g. Velu and Stiles, 2013; Casadesus-Masanell and Tarziján, 2012; Markides and Charitou, 2004). Markides (2008), in his writings, argues against the ‘either/or’ approach where a firm either physically separates a new business model or not. Instead, he proposes a two-by-two variable framework for deciding on whether to separate or ‘keep in’ new business models. Four, instead of two alternatives are proposed, namely: separation, ‘phased’ separation (i.e. keep the new business model inside initially and then spin-off later), integration and ‘phased’ integration (i.e. physically separate business model initially and integrate later).

Ghaziani and Ventresca (2005) assert that the business model discourse is mostly framed around value creation. They conclude that even if the meaning of the business model is framed differently, these frames still embody the same idea, namely, *‘the question of how to create value in the face of a changing business environment.’* The different frames of the various business model definitions mainly emphasise different aspects of the same problem (Fielt, 2011). Most definitions that are focused explicitly on ‘value’ refer to creating, delivering and/or capturing value (Chesbrough, 2006; Johnson, 2010; Osterwalder and Pigneur, 2010; Teece, 2010). An example to clarify this is Chesbrough’s (2006) explanation of the business model,

which states that a business model performs two crucial functions: value creation and value capturing. Chesbrough (2006) explains further that, first, the business model defines a series of activities that will yield a new product or service in such a way that there is net value created throughout the various activities. Second, it captures value from a portion of those activities for the firm that is developing the model. Most authors nowadays emphasise value creation while earlier when the business model concept emerged, they emphasised value capture (i.e. revenue component of the business model). However, this does not mean that value capture is ignored (Zott, Amit and Massa, 2011). It is also observed that the use of the business model concept for government organisations (e.g. Janssen and Shu, 2008) and more socially-oriented organisations (e.g. Yunus, Moingeon and Lehmann-Ortega, 2010) is emerging as areas of inquiry. This is a more recent development in literature which will even compound the problem of having an agreed-upon definition for the business model concept. With the business model being stretched and used in different ways and different contexts and for different purposes—such as start-ups and established companies, different types of innovation, different kinds and varying importance of technology, for-profit and not-for-profit, governmental and non-governmental organisations—a well-defined and agreed upon conceptualisation of the business model concept will be tougher now (Fielt, 2011). In the face of such looming complexities, some (e.g. Jensen, 2014) have even taken the position that the multiplicity of definitions and differences in conceptualising of the business model will be useful as it will ultimately lead to a broader understanding of the concept.

It must be pointed out here that the review of business model definitions carried out here only scratches the surface as going beyond what has been done here falls beyond the focus of this work. However, the discourse that was carried out here was done in such a way that it will help justify any selection of business model definition—implicit or explicit—that will appear later in the work. With that said, it must be added that, regardless of the business model literature developing in silos and researchers on the concept not agreeing in several areas of the concept, various conceptualisations of the business model have begun to converge (Zott, Amit and Massa, 2011). The fuzziness and vagueness that characterised the subject a decade back seem to be evaporating (Wirtz et al., 2015) and Zott, Amit and Massa (2011) after an exhaustive review of literature assert the following:

1. the business model is emerging as a new unit of analysis;
2. business models emphasise a system-level, holistic approach to explaining how firms

- ‘do business’;
3. firm activities play an essential role in the various conceptualisations of business models that have been proposed; and
  4. business models seek to explain how value is created, not just how it is captured.

### ***2.2.2 Perspectives on business models***

Perspectives on the business model can be grouped into; the static and the dynamic/transformational (Demil and Lecocq, 2010). Recent work on the subject by Sniukas (2015) identifies four ways in which the business model concept can be viewed. However, the four perspectives identified by Sniukas (2015) is a further division of the two fundamental perspectives—i.e. static and dynamic—and thus the static and dynamic dichotomy will be adhered to in this work.

Under the static perspective, business models are conceived of as a snapshot in time of how a company creates and captures value in reality. The static perspective is interested in defining what a business model is and providing a conceptual, textual and/or graphical descriptions and representation (Al-Debei and Avison, 2010) of the concept. Business models are seen as a “unit of analysis” (Zott, Amit and Massa, 2011) and “prototypical organisms” for scientific investigation (Baden-Fuller and Morgan, 2010). As tools, these business model representations enable the description and analysis of business models as they serve as ‘ideal types’ or ‘scale models’, and thus form the basis for comparison of companies, their business models and performance differences (Sniukas, 2015). As blueprints of future states or models to be replicated, conceptions of the business model in this static way enables decision-making, communication and foster action towards the potential business models (Sniukas, 2015; Osterwalder and Pigneur, 2010). The static approach emphasises more the ‘*model*’ aspect — i.e. representative view—of the business model as it focuses on representing and producing a blueprint to represent the firm’s business model components and how they are combined to create value for the customer and the firm (Demil and Lecocq, 2010). The static approach is beneficial in assisting managers, and also researchers, to visually conceptualise the business model and how its components combine to create value (Demil and Lecocq, 2010).

The business model is sometimes conceptualised to include an element of competitive strategy, but whether strategy plus the business model should warrant a different perspective is debatable. The so-called strategy perspective, Sniukas (2015) contends, is concerned with how business

models can create value for multiple stakeholders. In research from such an angle, the strategy perspective is viewed as an extension of the static view as it is the static view plus strategy/strategic elements (see Hamel, 2000). Detractors of the static approach to business models (e.g. Demil and Lecocq, 2010) explain that the static perspective is useful in understanding the business model, conceptualising it and communicating it, which is by no means trivial. However, they assert that the main weakness of the static view is that it does not make it possible to understand the processes through which the business model changes and evolves (Demil and Lecocq, 2010; Casadesus-Masanell and Ricart, 2010; Casadesus-Masanell and Zhu, 2013; Santos, Spector and Van der Heyden, 2009; Zott and Amit, 2009). The dynamic/transformational view—which is more systemic—they advocate, is well suited for that task, as unlike the static view, it helps in addressing change and innovation in the business model.

Whereas the static perspective focuses on describing business models and their components, the dynamic perspective takes a transformational and process view (Demil and Lecocq, 2010) and it emphasizes how change and innovation in business models happen (Zott and Amit, 2009; Santos, Spector and Van der Heyden, 2009; Casadesus-Masanell and Ricart, 2010; Sniukas, 2015). The dynamic view starts from the position that the business model of any business does not exist in isolation but instead, it exists in a particular environment, and thus, it is continuously interacting with the environment (Demil and Lecocq, 2010; Teece, 2010). This continuous interaction with the environment implies that the business model is always in a state of flux due to environmental changes and that constant fine-tunings and alterations are required so the business model can be sustained (Demil and Lecocq, 2010; Sosna, Trevinyo-Rodríguez and Velamuri, 2010). Demil and Lecocq (2010) taking this dynamic perspective proceed to define a business model as how business is done in order to ensure sustainability. To the proponents of the dynamic view (e.g. Demil and Lecocq, 2010; Sosna, Trevinyo-Rodríguez and Velamuri, 2010), the business model evolves, and because of that, a dynamic view is what will suffice in accurately conceptualising the concept. The dynamic view which is inherently based on the view that business models evolve presents some problems. An obvious one is if the business model is viewed as dynamic and always transforming then researching the ‘as-is’ business model of a firm will be elusive and extremely difficult to study in practice, if not impossible. This is because, by the time the study is commenced and concluded, the business model would have evolved and transformed into a different one from the original due to environmental changes. Thus, a firm’s business model will be too difficult to ‘pin down’, operationalised and

studied. Another perspective of the business model is the so-called operational perspective (Sniukas, 2015). However, a critical look at it will reveal that it is an extension of the dynamic view. Perspectives on the business model seem to fall under either the static view or the dynamic view. The outliers that defy this classification tend to fall between the two extremes—i.e. static and dynamic perspectives.

Both the static and dynamic views of the business model are excellent and useful as they fulfil different outcomes. If they are not viewed as mutually exclusive, the two perspectives can be combined carefully to harness their strengths (Demil and Lecocq, 2010). The static view can aid in creating a model (i.e. an accurate enough representation) of a firm's business model. On the other hand, the dynamic view can be employed to show how, in reality, the business model of a business works. Demerits of the static view are that it fails to take into consideration the interactions and interrelationships between the components of the business model as it only portrays a snapshot or representation of the firm's business model at a specific point in time. For the dynamic view, a major pitfall is that it pays so much attention to the evolution and transformational nature of the business model that representing the business model holistically tends to be more of an art, than a science (Santos, Spector and Van der Heyden, 2009). It is anticipated that by combining the two perspectives, their advantages can be harnessed while ruling out the demerits they present when used individually (Demil and Lecocq, 2010). Therefore, a particular business model framework (e.g. business model canvas)—i.e. static perspective—can be used to represent the business models of a business and study it<sup>1</sup>. Then the dynamic view can be used to depict how the represented business model functions in reality<sup>2</sup>. Such is the approach adopted in this work; both the static and dynamic views are combined. A dynamic perspective is adopted in defining a business model, while a static perspective is adopted in operationalising the business model concept. In this study, the business model is conceptualised as “how the enterprise creates and delivers value to customers, and then converts payments received to profits” (Teece, 2010, p.172) and the business model canvas (Osterwalder and Pigneur, 2010) is used in describing and operationalising the components of the business model.

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<sup>1</sup> This is done when collecting data from the SMEs in this study as the business model canvas (Osterwalder and Pigneur, 2010) is used to communicate with the SMEs about their business model.

<sup>2</sup> An example of this is in chapter seven under section 7.3.4 where how BMI unfolds in reality is illustrated and described

## 2.3 INNOVATION

In ‘new economy’ (Tapscott, 1997) and the ‘age of revolution’ (Hamel, 2000) that firms find themselves in with all the rampant change and intense competition pointed out in chapter one, innovation seems more of a necessity than an option for firms. Thus, the importance of innovation to the business world and society at large has reinforced its study across several disciplines. As a result, the word *innovation* has picked up myriads of connotations due to the ubiquitous nature of the concept, coupled with the different ways it is being used in academic and practitioner circles. It is a thought-provoking phenomenon that innovation has switched meanings over the centuries, as displayed by Godin (2015). The meaning of ‘*innovation*’ has changed over time and its meaning in the various disciplines where it is studied lack consensus (Fagerberg, 2006). Similar to the business model, innovation has not had an agreed-upon definition. When the word ‘innovation’ is uttered, one may find it strikingly tricky to understand what is it that is being referred to as ‘*innovation*’. Is it a particular product/service, a particular firm, or even a particular technology? The problem is compounded even more when one hears the word ‘*innovative*’. Similarly, it becomes complicated to decipher what it is that is being regarded as ‘*innovative*’. Is it a product/service, a process, a person, a company, a technology or a particular activity? Of course, the preceding assertions might be exaggerations of the problem and that one can argue that the context in which the words ‘*innovation*’ or ‘*innovative*’ are uttered may give some additional information with which one can decipher the meaning. However, the problem remains that the extensive usage of ‘*innovation*’ makes it a very ambiguous concept entrenched with a plurality of meanings.

Innovation is multifaceted, ambiguous and highly subjective (Godin, 2015). However, one gets closer to unearthing what innovation means when one acknowledges the fact that innovation is viewed in several ways, although this use is more implicit than explicit by most authors (Conway and Steward, 2009; Crossan and Apaydin, 2010). Innovation, when used, is used to mean one of three things: an ‘*output*’/‘*outcome*’, a ‘*process*’ and, as an ‘*attribute*’ (Conway and Steward, 2009; Crossan and Apaydin, 2010). These ways of using innovation among scholars have been more implicit than explicit as was mentioned, and this is explored further in the next subsections.

### **2.3.1 Innovation as a process**

When treating innovation, many academics view the concept from the viewpoint of the many actions and activities that a firm undertakes to translate specific ideas into innovative outputs/outcomes which are then made available in the marketplace (Conway and Steward, 2009). In this regard, innovation is being viewed as a '*process*' or '*set of processes*' (Crossan and Apaydin, 2010). That is to say; innovation is viewed as a '*process*' consisting of various activities and sub-processes undertaken by a firm to introduce an innovative output. In this sense, innovation refers to the totality of these activities and sub-processes (Conway and Steward, 2009; Fagerberg, 2006). Dimensions about innovation as a process answer the question '*how*' (Crossan and Apaydin, 2010)—i.e. '*how*' a business transforms ideas into innovative outcomes.

### **2.3.2 Innovation as an outcome**

The most common use of innovation is in this manner. In this sense, innovation is viewed as a '*new*' product or service or process that is offered to the market as an end product (Conway and Steward, 2009). Dimensions about innovation as an outcome/output answers the questions '*what*' or '*what kind*' is a particularly innovative end product/outcome (Crossan and Apaydin, 2010). Crossan and Apaydin (2010) mention that the main focus of the majority of scholars has been on innovation as an '*outcome*'. This stream of research has been aimed at answering the questions '*what*' or '*what kind*' of '*outcome*' does the innovation '*process*' seek to achieve (Conway and Steward, 2009; Crossan and Apaydin, 2010).

### **2.3.3 Innovation as an attribute/ '*innovativeness*.'**

When '*innovation*' is used as an '*attribute*', it is used with the suffixes '*ive*' and '*ness*' attached to it making it '*innovativeness*'. The idea of innovativeness is used as an attribute of the innovator (i.e. the innovating firm or individual) or an '*outcome*' (e.g. product/service). Innovativeness in a firm refers to its ability to innovate and/or adopt an '*innovation*', and this is viewed as a capability or core competence in the innovating firm (Conway and Steward, 2009; Garcia and Calantone, 2002; Afuah, 2003). Innovativeness in an '*outcome*' (e.g. product/service) leads to the product/service being described as an innovative product/service (Garcia and Calantone, 2002). In a nutshell, innovativeness as an attribute is used to measure how '*innovative*' an innovation as a '*process*' or '*output*'/'*outcome*' is.



These three ways within which innovation is used will serve as a frame of reference throughout the work, to enhance clarity and avoid ambiguity where possible.

#### **2.3.4 Definition of innovation**

Despite the recent interests in innovation among academics, practitioners, and policymakers, increase in innovation literature, Johannessen, Olsen and Lumpkin (2001, p.20) note, has still “not yielded a widely-held consensus regarding how to define innovation”. The word innovation itself comes from the Latin word *Innovare*, meaning ‘to make something new’ (Tidd, Bessant and Pavitt, 2005). However, as is apparent, this is so broad that the origins of the word even do not help much in unearthing its exact meaning. Another thing is that the original meaning of the word hinges on the ideas of ‘newness’, which is very relative and subjective. If one decides to ignore the plurality of meanings embedded in the original meaning of the word and even take it as given, the question then becomes; ‘if innovation means to make something new, what then does invention mean?’. Researchers on innovation often come face to face with the problem of having to distinguish between innovation and invention (Fagerberg, 2006), and in order avoid the common pitfall of equating the two, they will be differentiated herein.

Sometimes, as many scholars (e.g. Rothwell, 1992; Abernathy and Clark, 1985; Conway, 2009; Tidd, Bessant and Pavitt, 2005; Tidd and Bessant, 2013) have pointed out, invention and innovation are closely linked, to the extent that it is hard to distinguish one from another (e.g. in the case of biotechnology, invention and innovation can be tough to distinguish). However, Fagerberg (2006) notes that the distinction between innovation and invention can be made more explicit if an invention is understood as the very first occurrence of an idea for a new product or process. For Rothwell and Zegveld (1985), an invention is an act of technical creativeness involving the description of a novel/new concept that would typically be suitable for patenting. Similarly, Freeman and Soete (1997, p.6) define invention as “an idea, a sketch or model for a new or improved device, product, process, or system. Such inventions may often—not always—be patented, but they do not necessarily lead to technical innovation”. Another useful definition is offered by (Freeman, 1982, p.7): “an invention is an idea, a sketch or model for a new or improved device, product, process or system”. What is vital in these definitions, as may be apparent by now, is the emphasis on ‘newness’ or ‘novelty’, and the implication of purposeful translation of a concept/idea into an artefact/product or process (Conway and Steward, 2009). However, while these definitions are tremendously useful in understanding invention, like many

other definitions in the innovation literature, they are biased towards technological product and process innovations as opposed to other types of innovation, like service innovation (Conway and Steward, 2009) or even BMI.

Following the definitions of invention offered, it becomes clear that it cannot be equated with innovation. Definitions of innovation abound, each emphasising a different aspect of the term as they are from different theoretical backgrounds (Tidd and Bessant, 2013). One of the earliest definitions of innovation comes from (Schumpeter, 1934). According to Schumpeter (1934), innovation is reflected in different outputs: a new good or a new quality of a good; a new method of production; a new market; a new source of supply; or a new organisational structure, which can be summarised as ‘doing things differently’. However, as Hansén and Wakonen, (1997) state, it is practically impossible to do things identically, which makes any change an innovation if we go by Schumpeter’s definition. Fagerberg (2006) following from his definition of an invention as the very first occurrence of an idea defined innovation generically as the first commercialisation of the idea (i.e. the invention). In providing a stricter definition for innovation, Rothwell and Zegveld (1985) defined it as the commercialisation of technical changes’. Rothwell and Zegveld (1985) contrasted innovation from an invention by insisting that ‘invention’ is simply one element, albeit an important one in the overall innovation process. For Freeman and Soete (1997, p.6), “an innovation in the economic sense is accomplished only with the first commercial transaction involving the new product, process, system or device although the word is used to describe the whole process”. However, as Trott (2005) points out, commercial failure does not relegate an innovation to an invention, so with commercialisation playing a central role in these definitions of innovation, it is unclear whether commercialisation success or failure should decide whether or not something is an innovation. See Appendix B for some other definitions of innovation selected to contribute to and support the broader and richer understanding of innovation discussed here. Following from the above synthesis and definitions from Appendix B, it is easy to see why innovation is seen as follows:

Innovation=invention + commercialisation (Freeman, 1982).

Innovation, at least in the *process* sense, is not just about coming up with new ideas/inventions, it is more than that, in that it includes making the ideas work practically and commercially (Tidd and Bessant, 2013). An invention, before it can be turned into an innovation needs to be combined with several different types of knowledge, capabilities, skills and resources (Fagerberg, 2006) in order to be commercialised or even made practically usable. Following

(Fagerberg, 2006), it is fair then to conclude that innovation (i.e. as a ‘process’) begins with invention and ends with an ‘*outcome*’ (i.e. innovation as an output/outcome). Innovation (in the ‘process’ sense) is a broad concept that embraces the full range of activities from discovery and invention, through to development and commercialisation (Conway and Steward, 2009). A definition for innovation must, therefore, account for its process nature and the transformation of ideas into outputs of some sort. For this reason, the definition from Baregheh, Rowley and Sambrook (2009) will be influential in the way innovation is conceived of in this work when treating the BMI process (see section 2.8.1). The definition is as follows:

Innovation is the multi-stage process whereby organisations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace (Baregheh, Rowley and Sambrook, 2009).

This definition accounts for the multi-process nature of innovation (innovation as ‘*process*’), appreciates that innovation transforms ideas into products (innovation as an ‘*output*’/‘*outcome*’) and also emphasizes the fact that innovations are carried out by firms to enhance their competitiveness (i.e. innovation as an ‘*attribute*’) (Baregheh, Rowley and Sambrook, 2009). That definition, therefore, accounts for innovation in the most inclusive sense of the word.

### ***2.3.5 Other facets of innovation***

There are other facets of innovation which add to the diverse nature of the concept that deserves treatment. These will be highlighted on in the following subsections to enhance the clarity given to the concept, and it is later operationalised in this research.

#### ***2.3.5.1 Types/forms of innovation***

Not all innovations are the same, and there is no question about that (Garcia and Calantone, 2002). Accordingly, studies have frequently classified innovations into typologies as a means of identifying their degree of innovativeness or forms. Conventionally, innovations are often distinguished as ‘incremental’ or ‘radical’ innovation (Conway and Steward, 2009). However, the forms in which innovations appear tend to exceed this dichotomy as some innovations tend to fall in between the two conventional categories (Garcia and Calantone, 2002). Over time, it has been realised that the conventional approach for classifying innovations as either

incremental or radical is inadequate. In place of this, several other categorisations which seek to provide a more inclusive categorisation of innovations have been suggested (Garcia and Calantone, 2002). To illustrate this point, some from adapted Garcia and Calantone's (2002) work are listed as follows:

- five categories—systematic/major/minor/incremental/unrecorded (Freeman, 1991);
- tetra-categorization—incremental/modular/architectural/radical (Henderson and Clark, 1990), niche creation/architectural/regular/ revolutionary (Abernathy and Clark, 1985),
- triadic categorization—low innovativeness/moderate innovativeness/high innovativeness (Kleinschmidt and Cooper, 1991), incremental/ new generation/radically new (Wheelwright and Clark, 1992),
- others—disruptive innovation (Christensen, 2013), open/closed innovation (Chesbrough, 2007).

As can be seen, several categorisations have been put forth to replace the conventional dichotomy. However, this attempt to resolve the problem of categorisations made matters worse, according to Garcia and Calantone (2002) after they reviewed what extant literature had to say on categorising innovations. This they argue is because, aside from the two extremes of the innovation spectrum, incremental and radical, a plethora of other types of innovation categories have been introduced to fill the middle ground between the two extremes. As a result, it is even more challenging to tell which innovation is which and to make matters worse, a particular innovation (i.e. innovation as an output/outcome) could be considered as different types/forms by different researchers.

To avoid ambiguities about what is and is not BMI, a way for classifying BMI will be used in this work. This will be presented in section 2.8 of this chapter.

#### *2.3.5.2 Novelty? Novel to whom?*

An interesting question arises when one tries to answer the '*how new?*' is an innovation question with as the answer, '*new to whom?*' (Taran, 2011). The newness of innovation is very subjective and relative, as mentioned earlier, and thus, the newness of innovation can be assessed from several points of view. For instance, what is an innovation to an owner-manager of a family-owned retail business in Ghana may be viewed as an obsolete outcome by an owner-manager of a similar retail business in London. Although the majority of research takes a firm's perspective toward newness, Garcia and Calantone (2002) point out that some others look at

new to the world (e.g. Song and Montoya-Weiss, 1998), new to the adopting unit (e.g. Ettlie and Rubenstein, 1987), new to the industry (e.g. O'Connor, 1998), new to the market (e.g. Kleinschmidt and Cooper, 1991; Meyers and Tucker, 1989), and new to the consumer (e.g. Atuahene-Gima, 1995). This work is at the focal firm level of analysis and as such, the '*new to whom*' question, whenever it comes up, will be addressed from the focal firm's point of view.

#### *2.3.5.3 Innovation possibilities available to the focal firm*

The types of innovation are associated with innovation as an 'outcome'/'output', and these refer to the innovative possibilities that are available for the firm (Tidd and Bessant, 2013). In fact, there are many possibilities for innovation. So much so that there is a vast array of types of innovations and it sometimes seems like there is a whole industry of academics and consultants putting new words in front of the word innovation and claiming it to be another type of innovation. A classic distinction in innovation is between product/service and process innovations (Tidd, Bessant and Pavitt, 2005; Conway and Steward, 2009). Following his early definition of innovation, Schumpeter (1934) identified five types of innovation, namely: the development of new products, new methods of production, new sources of supply, exploitation of new markets and new ways to organise a business. A more recent classification comes from the work of Tidd and Bessant (2013), who divided the innovation types into four broad categories known as the "4P's" of innovation space:

1. Product innovation—changes in the things (products/services) which an organisation offers.
2. Process innovation—changes in the way in which they are created and delivered.
3. Position innovation—changes in the context in which the products/services are introduced. (Position innovation innovates the target customer. An example is how ice cream companies switched from kids and targeted adults as their primary target market)
4. Paradigm innovation—changes in the underlying mental models which frame what the organisation does.

#### *2.3.5.4 The innovation process*

Innovation as a '*process*'—i.e. the various activities and sub-processes—undertaken to introduce innovation as an '*output*'/'*outcome*', have been studied and '*modelled*' (e.g. Rothwell, 1994) over the years by scholars. Because this research is based on the firm level of analysis,

only the innovation process models of the firm will be of interest. Following from Rothwell (1994), the innovation process in the firm can be grouped into linear models, interactive models and system models as there are several in which the innovation process can unfold.

The views on BMI and the process of BMI will be taken up in the next chapter.

## **2.4 BUSINESS MODEL INNOVATION**

The imperative of both the business model concept and innovation to businesses has made the study and practice of BMI a matter of great interest to academics and practitioners alike (Taran, Chester Goduscheit and Boer, 2015; Spieth, Schneckenberg and Ricart, 2014; Wirtz, Schilke and Ullrich, 2010; Chesbrough, 2007, 2010). In academia, the attention paid to BMI has sharply increased in recent years (Schneider and Spieth, 2013; Zott, Amit and Massa, 2011) and in the practitioners' domain, BMI is said to be higher up the priority lists of CEOs (Pohle and Chapman, 2006). Perhaps the first thing to be made clear is what is meant by BMI. This is not a straightforward task as the body of knowledge concerning BMI has developed in silos over the years (Foss and Saebi, 2017; Schneider and Spieth, 2013; Zott, Amit and Massa, 2011) and research efforts on the concept have not built on each other (Zott, Amit and Massa, 2011). Furthermore, the term business model itself lacking an agreed-upon definition as was shown earlier, plus the term innovation being multifaceted (Godin, 2015) has been contributing factors to the lack of a definition for BMI. Regardless of this difficulty, a good starting point to approach the body of knowledge is the literature review on BMI by Foss and Saebi (2017), who identified four broad research streams under BMI. According to them, there are four main research streams on BMI, and they are as follows:

- i. **Research stream 1 focuses on Conceptualising BMI:** This stream is concerned with proposing definitions and conceptualising the phenomenon itself (e.g. Amit and Zott, 2012; Santos, Spector and Van der Heyden, 2009; Teece, 2010). Thus, it focuses on such issues as the minimum meaningful definition of BMI and the dimensions along which companies can innovate business models (e.g. Casadesus-Masanell and Ricart, 2011; Johnson, Christensen and Kagermann, 2008; Sorescu et al., 2011).
- ii. **Research stream 2 focuses on BMI as an Organisational Change Process:** This stream is concerned with the organisational processes involved in changing an existing business model. Studies in this field describe BMI as a dynamic process by a) highlighting the different stages of the BMI process (e.g. De Reuver, Bouwman and

- Haaker, 2013; Frankenberger et al., 2013; Girotra and Netessine, 2014); **b)** identifying the different organisational capabilities and processes required to support this change process (e.g. Achtenhagen, Melin and Naldi, 2013; Demil and Lecocq, 2010; Doz and Kosonen, 2010; Dunford, Palmer and Benveniste, 2010); **c)** citing the importance of experimentation and learning (e.g. Moingeon and Lehmann-Ortega, 2010; Sosna, Trevinyo-Rodríguez and Velamuri, 2010); and **d)** proposing practitioner-oriented tools for managing (e.g. Deshler and Smith, 2011).
- iii. **Research stream 3 focuses on BMI as an Outcome:** BMI literature in this stream focuses on the consequences of the organisational change process—i.e. new and innovative BMIs.
  - iv. **Research stream 4 focuses on Consequences of BMI:** The fourth stream addresses the organisational performance implications of BMI. In this stream, one can differentiate between studies that link the “*act*” of BMI or BMI process, to outcome implications (e.g. Aspara, Hietanen and Tikkanen, 2010; Bock et al., 2012; Cucculelli and Bettinelli, 2015; Giesen et al., 2007) and those that examine the effects of different types of BMIs on the performance of firms (e.g. Wei et al., 2014; Zott and Amit, 2007; 2008).

This research is about the BMI process (i.e. research stream 2) and thus will not concern itself with the other streams of research under BMI if Foss and Saebi’s (2017) classification is used. However, the BMI process cannot be meaningfully treated unless a clear definition of the term is established (Foss and Saebi, 2017; Schneider and Spieth, 2013; Massa and Tucci, 2013). Therefore, before reviewing what literature has to say concerning the BMI process, this review will commence by discussing some definitions of BMI (i.e. literature under research stream 1) in the next sub-section.

#### **2.4.1 Definition of BMI**

Most scholars will agree that at the most rudimentary level, BMI means innovating the business model. However, before proceeding any further, an implicit assumption on BMI must be made explicit, which is, BMI presupposes the existence of an incumbent business model to be innovated (Massa and Tucci, 2013). Any discussion on BMI, therefore, will take for granted the existence of an incumbent business model. This position is adopted as a starting point in this work.

Several definitions for BMI are already provided in the literature (see Appendix C for some of these); however, there is a profound ambiguity with regards to what actually is BMI (Foss and Saebi, 2017) and what change(s) in business models can constitute BMI (Hossain, 2016a). Definitions of BMI abound, and many of those definitions lack specificity in their meaning (Foss and Saebi, 2017). Indeed, definitions of BMI can be placed along a quantitative and qualitative spectrum. Regarding definitions at the quantitative end, BMI is about how many components or elements in the business model changes or is innovated. While at the qualitative end, BMI is not just about changing or innovating some components of the business model alone but rather about changing the business model's underlying architecture, which may or may not involve changing some business model components. Giesen et al. (2007), with a definition falling on the quantitative end, conceptualize BMI as innovations in the “industry value chain” (entering new industries), the “revenue model” (offering novel offering or pricing models), and/or the “enterprise model” (redefining organizational boundaries). In a similar vein, Abdelkafi, Makhotin and Posselt, (2013) point out that BMI happens when the company modifies or improves at least one of the value dimensions in its business model. For Koen, Bertels and Elsum (2011), BMI refers to innovation in technologies, value networks, and financial hurdle rates, which they deem to be the components of the business model. Definitions which can be viewed as more quantitative in approach, place their emphasis on the number of components of a business model and how much these components are altered (Foss and Saebi, 2017). However, with the number of business model components an issue of debate—for instance, Morris, Schindehutte and Allen (2005) mention 34 possible components while Osterwalder and Pigneur (2010) mention only 9—these ways of defining BMI seems problematic because BMI will change every time the number of business model components is altered. Also, implicit in the approach that BMI only occurs if a certain number of business model components are innovated is the assumption that minor alterations in the business model or within individual business model components cannot result in a BMI. This assumption is also problematic because when the business model is conceptualised as a system, one will realise that even the most trivial changes can bring substantial systemic results (Casadesus-Masanell and Ricart, 2010; Casadesus-Masanell and Zhu, 2013). Casadesus-Masanell and colleagues emphasise this assertion with Ryanair as an example when they point out that Ryanair's decision of not serving food in-flight may seem trivial, but it went a long way to reinforce the overall sustainability of its low-cost business model.



The other group of scholars who take a qualitative stance stress that what is being innovated in a business model is the architecture of the business model rather than its components (e.g., the value proposition, the segments addressed, the value chain) (Foss and Saebi, 2017). Proponents of this position pay attention to the underlying architecture of the business model, the linkages and interrelations between its components and how altering them bring about BMI (Casadesus-Masanell and Ricart, 2010; Casadesus-Masanell and Ricart, 2011). A typical example is Santos, Spector and Van der Heyden (2009) who argue that BMI occurs when the firm engages in “reactivation” (altering the set of elemental activities that it offers to its customers), “repartitioning” (altering the boundaries of the firm), “relocation” (changing the location of units currently performing activities), or “relinking” (altering the linkages among the organizational units that perform activities). Another example is that of Amit and Zott (2012) who suggest that firms can innovate their business models by redefining (a) content (adding new activities), (b) structure (linking activities differently), and (c) governance (changing parties that do the activities). For Casadesus-Masanell and Ricart (2011) companies make three choices which reflect their business model, namely: policy choices, asset choices and governance choices. These choices then lead to either rigid or flexible consequences. For example, choosing to increase prices (a choice) will immediately result in lower volumes (a consequence). So, from Casadesus-Masanell and Ricart’s (2011) perspective, altering any of the choices can lead to BMI. Definitions of this nature take a more qualitative overtone as the emphasis is placed on the logic and architecture of the business model instead of the components within the business model. The qualitative approach has its downfall as it is riddled with subjectivity in determining what alteration is sufficient to constitute BMI. This shortcoming has contributed to a critical debate in BMI literature, which is, how extensive does the change(s) in a business model has to be for a change(s) in the business model to constitute BMI; this debate remains to be settled decisively (Müller, 2014). How comprehensive the changes in the single elements and/or the whole business model have to be in order to qualify as BMI, are not spelt out in both quantitative and qualitative approaches to defining BMI. To help resolve this debate in the literature on what constitutes BMI, Müller (2014) points out that although BMI primarily involves changes in the business model, not all changes in business models can be equivocally be referred to as BMI. Foss and Saebi (2017, p.201) take a similar position as they emphasise in their BMI definition that the changes in BMI have to be “designed, novel, and nontrivial” in order to qualify as BMI.

The main concepts that have been used in the extant literature, Müller (2014) reveal, to describe changes in business models have been: BMI (e.g. Osterwalder and Pigneur, 2010), business model evolution (e.g. Demil and Lecocq, 2010), business model dynamics (e.g. Mason and Leek, 2008), strategic innovation (e.g. Markides, 2008), business model configuration (e.g. Massa and Tucci, 2013), business model reconfiguration (e.g. Casadesus-Masanell and Ricart, 2010), value innovation (e.g. Kim and Mauborgne, 2005), business model reinvention (e.g. Voelpel, Leibold and Tekie, 2004), as well as business model flexibility (e.g. Mason and Mouzas, 2012). All of these business model change concepts describe varying degrees of BMI. However, a clear distinction between all the business model change concepts is hardly possible because there are substantial overlaps between them (Müller, 2014).

It is way more plausible, Müller (2014) argues, to view the various business model change concepts along a spectrum of BMIs where drastic alterations in business models are expressed as strategic innovation or value innovation, while more minor alterations are expressed as dynamic business models, business model evolution. The middle ground of this spectrum of BMI will accommodate business model flexibility, business model reconfiguration (BMR hereafter), business model reinvention or just BMI; these concepts integrate both possibilities of change—radical or (small) incremental improvements in the business model. From extant literature, one will get the impression that in most cases when BMI is used, scholars seem to be speaking more of the middle ground of the BMI spectrum because their expositions seem to contain both minor and significant alterations in the business model (e.g. Sanchez and Ricart, 2010; Moingeon and Lehmann-Ortega, 2010; Sosna, Treviño-Rodríguez and Velamuri, 2010; Johnson, Christensen and Kagermann, 2008). Another additional reason prompting this suggestion is that in cases where the alterations in the business model are unambiguously radical or minor, scholars tend to use precise business model change concepts—such as strategic innovation for innovations where the alterations in business models are unambiguously radical, but business model evolution for minor but nontrivial alterations in the business model. Scholars tend to invoke BMI where the changes in the business model are ambiguous, and one cannot tell decisively whether the change(s) is/are radical or minor. Could this be the reason why achieving a universal BMI definition has been so elusive, as the foregoing analyses highlight the complexity of having a clear-cut definition for BMI?

Innovation can be minor and incremental or radical, and between these two extremes, a plethora of innovations can be introduced to fill the gap (Garcia and Calantone, 2002). Similarly, the

innovations that can occur in a business model might be incremental or radical (Müller, 2014) and in between the two, there can be several types of innovations varying in degrees of change that can be introduced to occupy the gap in between as classifying them one way or the other will be debatable. Thus, to escape this problem, BMI in this work will be viewed as a spectrum of changes in the firm's business model. On the one hand, there can be incremental and minor changes in the business model and on the other, there can be radical and revolutionary changes in the firm's business model. In between these two extremes, exist several possibilities and a variety of changes that can take place between the two extremes. For precision, BMI is defined as “designed, novel, and nontrivial changes to the key elements of a firm's business model and/or the architecture linking these elements” (Foss and Saebi, 2017, p.201). Ultimately, BMIs will require top-management action—hence, the requirement that BMI is designed. The requirement of nontriviality is imposed to avoid including minor and trivial changes in business models, for example, supplier relations or product portfolio not deemed vital to the firm's operations. Lastly, the requirement of novelty is also imposed in order to avoid including the adoption or imitation of other incumbents' business models.

Identifying the antecedents to BMI is an integral part of the BMI process. It is in that regard that the absorptive capacity of the firm can play an essential role in the BMI in the firm.

Using information to respond, survive and innovate in the face of changes in the business environment is an essential task for management (O'Connor, 2008) and so how the firm manages knowledge is vital for its firm performance (Marqués and Simón, 2006). The ability to exploit external knowledge is a critical component of the innovative capabilities of the firm (Cohen and Levinthal, 1990) as it allows the firm to exploit external information to its commercial ends. Cohen and Levinthal (1990) describes this ability absorptive capacity and define it as the firm's capacity to recognize the value of new, external information in its environment, assimilate it, and apply it to commercial ends. According to Zahra and George (2002), absorptive capacity consists of two subsets, namely, potential absorptive capacity and realized absorptive capacity. These two subsets are further divided into four dimensions by Zahra and George (2002). Potential absorptive capacity has as its two dimensions, acquisition and assimilation where the two dimensions of realized absorptive capacity are transformation and exploitation. Acquisition refers to how a business identifies and acquires external knowledge critical to its operations (Zahra and George, 2002; Kale, Aknar and Başar, 2019). Assimilation refers to the routines and processes existent in the business that allows it to

analyse, process and understand knowledge from external sources (Zahra and George, 2002; Kale, Aknar and Başar, 2019). Transformation means refining and developing the routines and processes existent in the business so that it becomes easier for the firm to combine existing know-how with the knowledge that has been and acquired and assimilated (Zahra and George, 2002; Kale, Aknar and Başar, 2019). Lastly, exploitation is concerned with the capacity to develop, expand and utilize existing routines, competencies and technologies to create something new based on the “transformed” knowledge (Zahra and George, 2002; Kale, Aknar and Başar, 2019).

To innovate their business models, firms need to develop their potential absorptive capacity as well as their realized absorptive capacity (Miroshnychenko et al., 2020). How the firm can identify antecedents to BMI will depend on its acquisition and assimilation regarding new and valuable information, whereas its ability to innovate the business model will depend on its transformation and exploitation ability. It is with little surprise that firms with better absorptive capacity have advantages in sustaining competitive advantage through BMI (Miroshnychenko et al., 2020). In fact, Miroshnychenko et al. (2020) showed that BMI is mainly dependent on potential absorptive capacity since firms tend to prioritize knowledge acquisition and knowledge assimilation over knowledge transformation and knowledge exploitation. Thus, gaining access to knowledge, adapting and incorporating knowledge in the current business is crucial to innovating the business model (Miroshnychenko et al., 2020).

#### ***2.4.2 BMI in existing firms***

For the established firm in the 21<sup>st</sup>-century business landscape that wants to remain competitive, reasons to innovate business models abound in the literature as have been discussed. Markides (2008) mentions that there are three instances where an established firm will have the incentive to pioneer a new business model: when the current business model is failing; when the established firm is venturing into another established market; and when the established firm is scaling up a new market in its early formative years. Growth and profitability (Casadesus-Masanell and Ricart, 2010; Amit and Zott, 2012), remaining competitive in the product/market segment (Mitchell and Coles, 2003), responding to existing competitors and new entrant moves (Aspara, Hietanen and Tikkanen, 2010; Mitchell and Coles, 2003), adapting to environmental changes (Voelpel, Leibold and Tekie, 2004), and going digital to improve customer experience (Weill and Woerner, 2013) are among the reasons for established firms to innovate their incumbent business models. However, the most prevailing theme underlying all the antecedents

to BMI is the achievement of some sort sustainable competitive advantage (Porter, 2008) or even transient advantage (McGrath, 2012; 2013) in today's hypercompetitive (D'Aveni, 1998; 2010; D'Aveni, Dagnino and Smith, 2010) business landscape.

The increasing nature of change in the business ecosystem (Moore, 1993) coupled with the temporary nature of competitive (D'Aveni, Dagnino and Smith, 2010) has shortened the lifespan of most business models, even the most competitive ones. Competitors are bound to imitate innovative business models, or they will respond with an innovation of their own (Casadesus-Masanell and Zhu, 2013; Mitchell and Bruckner Coles, 2004). Thus, it is advocated that existing firms must continuously rethink their business model to remain competitive in an ever-changing business landscape (Casadesus-Masanell and Zhu, 2013; Chesbrough, 2010; Osterwalder and Pigneur, 2010; Mitchell and Bruckner Coles, 2004). However, once a firm decides to innovate its business model, the challenge now becomes a question of how. That is, how to identify a novel and innovative business model, implement it and ensure a transition from the existing business model to the new and innovative one. The body of knowledge that answers this question views BMI as an "Organisational Change Process" (Foss and Saebi, 2017) and scholars in this area are concerned with the organisational processes and activities that established firms must or must not undertake in changing or replacing an existing business model.

Two schools of thought are predominant under this stream with one school favouring an experimentation and trial-and-error approach (e.g. Chesbrough, 2010; Sosna, TreviñoRodríguez and Velamuri, 2010) whereas the other favours a more rationalistic and structured approach (e.g. De Reuver, Bouwman and Haaker, 2013; Frankenberger et al., 2013; Sinfield et al., 2012). The research that has emerged from both camps have shed more light on the BMI process, but patterns observed vary significantly (Günzel and Holm, 2013). "This is perhaps best depicted by the two extremes in the literature: organic flexibility and structured rigidity" (Günzel and Holm, 2013, p.10). The BMI process from the trial-and-error/experimentation school's point of view is characterised by organic flexibility, while the process from the rationalistic camp is characterised by a structured rigidity (Günzel and Holm, 2013). The trial-and-error/experimentation approach has received considerable attention in the extant literature on the BMI process. Several scholars tend to suggest experimentation as the best approach towards BMI (McGrath, 2010; Sosna, Treviño-Rodríguez and Velamuri, 2010) motivated by the assumption that data for decision-making as to the success of business models

is limited and cannot, Sniukas (2015) adds, be gathered through analysis. Chesbrough (2010, p.356) for instance emphasises that BMI is “not a matter of superior foresight ex-ante—rather it requires significant trial and error, and quite a bit of adaptation ex-post” making an experimentation approach a better option for firms. Sosna, Trevinyo-Rodríguez and Velamuri, (2010) argue in a similar vein that experimenting with new business models, and continuously searching for ways in which the incumbent business model can be made better to create and deliver value in new and competitive ways is advocated. Another perspective from the trial-and-error school is that of Bucherer, Eisert and Gassmann (2012) who contend that BMI is not a static system, but rather a dynamic one that requires constant adjustment to both internal and external changes. The authors opine that that notion is what should encourage firms to favour an experimentation approach to BMI. An exploratory orientation, it is argued, is a crucial factor that initiates the experimentation process for BMI (Guo, Su and Ahlstrom, 2016) in businesses. Sosna, Trevinyo-Rodríguez and Velamuri (2010) contend that businesses can through trial-and-error learning develop innovative business models systematically till an innovative business model is arrived at.

Contrary to the experimentation view to BMI is the view that the BMI process can be more rationalistic and systematic. Formulations of this view are not mutually exclusive to the experimentation view. However, it does seem to lean tremendously towards foresight and analysis in coming up with innovative business models and implementing them. Sinfield et al. (2012) propose that BMI can be approached by conducting three sequential steps: creating a template that enables the examination of alternative answers to crucial business model questions, using the same template to find alternative approaches to value creation, and determining what will remain unchanged in the business model. Following this, the resulting business model can be implemented with some degree of confidence, according to Sinfield et al. (2012). De Reuver, Bouwman and Haaker (2013) arguing from a rationalistic stance opine that firms can approach BMI through business model road mapping. This, they define as the process of developing a business model road map as a plan with intermediate steps to achieve the desired business model B starting from a business model A. They add that a business model road map is thus a description or a plan that describes what intermediate steps and critical decisions have to be taken to achieve the desired business model. This step-wise approach, De Reuver, Bouwman and Haaker (2013) argue, consists of four stages namely: 1) identify desired changes in the business model; 2) analyse the impact of the desired business model changes on other business model domains; 3) translate business model changes into specific activities, and

4) back-casting of ideal transition path. The authors conclude from their analysis that, by following this step-wise approach to BMI, firms, in general, can operationalise what decisions to take and in which order and as a result have a reliable and organised way of coming up with innovative business models (De Reuver, Bouwman and Haaker, 2013). Frankenberger et al. (2013), from their case study, also proposed a similar rationalistic framework to guide the BMI process. They argue in favour of their “4I-BMI framework” which has four phases, namely: initiation, ideation, integration, and implementation. They argue that although there are iterations between the 4 phases in their framework, the business model process overall can be structured (Frankenberger et al., 2013). It should be added that some other scholars in this school of thought even allude that learning from other industries through analogical thinking (Sinfield et al., 2012) or even strategic imitation (Aspara, Hietanen and Tikkanen, 2010), firms can come up with business models that may be innovative in their context and implement.

From the preceding analysis, it may seem that the business model process is either chaotic, consisting of experimentation and trial-and-error activities—because innovative business models cannot be arrived at ex-ante—or, it involves a structured and sequential process relying much on foresight and rationalistic planning. Günzel and Holm (2013) do not see that to be the case. They point out that research efforts from extant literature fall at two extreme ends—i.e. organic flexibility and structured rigidity—does not have to be so for all BMI in firms. First of all, they distinguish between two types of innovation, front-end (which is value-oriented) and back-end (which is efficiency oriented) and assert that both forms of innovations require a different form of business model processes. They contend that experimentation/trial-and-error learning can be part of BMI, but when used, it does not affect the business model as a whole. Instead, experimentation/trial-and-error learning tends to be suitable when the firm is pursuing a front-end innovation as the approach affects only the value components of the business model. On the other hand, back-end innovations tend to be more linear and structured as they affect the aspects of business models dealing with efficiency. The critical point from Günzel and Holm’s (2013) argument is that the components of the business model being innovated are what will dictate the nature of the BMI process. An example from their point of view will be that if a firm is innovating the value proposition for its customers, the BMI process will be characterised by organic flexibility since it deals with the value component of its business model. Whereas if a firm is innovating any of its back-end activities, say its warehouse operations, then the BMI process will be characterised by a structured rigidity.

Wirtz and Daiser (2018) take the discussion on the BMI a step further with their systematic review of literature on the business model process. Although research on BMI process can be placed into two sides—i.e. experimentation/trial-and-error versus systematic/rationalistic views—they contend that studies on the subject are heterogeneously dispersed. They go further to point out how, regardless of the view taken about the BMI process, researchers on the BMI process do not agree on the steps and phases involved in the BMI process. Some, for instance, Wirtz and Daiser (2018) point out, have three (Linder and Cantrell, 2000) phases or steps in their BMI process where others have even seven (Amit and Zott, 2012). Wirtz and Daiser (2018) propose a generic BMI framework from their systematic review of extant literature, which has seven BMI process phases the authors reckon representative. The seven BMI phases are analysis, ideation, feasibility, prototyping, decision-making, implementation and sustainability (Wirtz and Daiser, 2018). This generic BMI process framework is useful in understanding the current body of research on the subject. However, one will soon realise that their proposing a seven-phase framework inherently suggests that the BMI process is systematic/rationalistic; an assumption that the experimentation/trial-and-error school will disagree with.

#### ***2.4.3 BMI in existing SMEs***

A search on ProQuest (on 21<sup>st</sup> November 2016) for peer-reviewed and scholarly literature that used “BMI” produced 826 papers. A similar search on the same day for material that used BMI and SMEs anywhere in the paper produced 153. This is not conclusive evidence, but it indicates how much extant academic literature on BMI is skewed towards larger firms; who are mostly the subjects of BMI researchers. SMEs in the modern-day business landscape are no longer immune to global competition (Burns, 2016; Bridge and O’Neill, 2013; Jones and Tilley, 2003) due to the changes in the new business landscape. SMEs, therefore, have to rethink their business models and innovate them to stay competitive. SMEs suffer from several problems mainly caused by an acute scarcity of resources, specialisation, skilled human resources, and lack of access to funds (Bridge and O’Neill, 2013). Lack of access to financial resources, in particular, has been highlighted as one of the most acute barriers to SME survival and growth (Olawale and Garwe, 2010; Madrid-Guijarro, Garcia and Van Auken, 2009). It is in this regard that BMI can be very instrumental to the SME. Amit and Zott (2012) mention that innovations to improve products and processes are often expensive, time-consuming, and need substantial investment, with the return from all of these efforts being uncertain. However, BMI involves the reconfiguration of existing resources (Amit and Zott, 2001) and does not require significant



investments in R&D (Zott and Amit, 2010). To stay competitive SMEs like their larger counterparts, find that they must discover new and innovative ways to create and deliver value. In the case of the SMEs, Talebi, Rezazadeh and Nobari (2016) suggest that BMI can be instrumental in the survival and growth of SMEs because of its potential to transform the fundamental ways in which they compete. However, BMI as an area of research in SMEs remains underdeveloped even in scholarly research (Sivertsson and Tell, 2015; Marolt et al., 2016).

According to Bucherer, Eisert and Gassmann (2012), there are four different origins of BMI: internal opportunity (e.g. improvement of internal processes), external opportunity (e.g. changes in key technologies), internal threat (e.g. the outsourcing of certain activities or investment in new capabilities), external threat (e.g. competitive threat, market shift, legal changes). SMEs are not immune to these antecedents and must seek to innovate their business models: and in fact, they do (Marolt et al., 2016). Although research on BMI in SMEs is little at present, evidence suggests that SMEs practice BMI blindly (Lindgren, 2012). Lindgren (2012) goes further to point out that this is not very much surprising as SMEs lack BMI leadership skills and the strategies to enable them to do so. Indeed, SMEs in their BMI efforts, tend to over-focus on the same business model components—i.e. value proposition, customer segment and internal value chain. This focus is not helpful as due to such narrow focus, SMEs end up missing potential opportunities for BMI in other components of their business models (Lindgren, 2012). This assertion may not be surprising as SMEs tend to be very traditional and conservative in their approach to innovation (Jones and Tilley, 2003).

Overall, little is known on the BMI process (Schneider and Spieth, 2013), and to the best of the author's knowledge, at present, no research exists that combines institutional theory to investigate the BMI process in SMEs. "More research to better encompass SMEs BMI...is highly needed" (Lindgren, 2012, p.65) and Demil et al. (2015) support this assertion as they point out that a lot is still unknown about the BMI process in incumbent firms. In situations where the BMI process has been treated, it has been at the corporate level (e.g. Aspara et al., 2011; Doz and Kosonen, 2010; Amit and Zott, 2012) or large firms' context (e.g. Christensen, Bartman and Van Bever, 2016; Johnson, Christensen and Kagermann, 2008) and BMI in different contexts, such as social entrepreneurship (Mair and Marti, 2006), frugal innovation (Hossain, 2016b), private-public partnership, government organizations have received little to no attention. In fact, the incumbent SME's context has suffered the same plight (Sivertsson and

Tell, 2015; Puhakainen and Malinen, 2009), and BMI research in SMEs amidst weak institutional contexts has been marginalised.

The fundamental differences between the SME and large firm (Penrose, 2009; Kor and Mahoney, 2004) suggests that the BMI process and its peculiarities as discovered in the large firm is less likely to be same as that of the SME. Thus, the BMI process in the SMEs context merits separate treatment. Some insights emerging from BMI literature encourages paying attention to and exploring the BMI process in the SME. Guo, Zhao and Tang (2013) for instance showed that both top managers' human capital (representing managerial skills and entrepreneurial skills) and social capital (representing managerial ties) are related positively to BMI. Another exciting piece of evidence is that of Velu and Jacob (2016), who show empirically that the degree of BMI is higher when entrepreneurs act as owner-managers of their ventures. Considering the impact of management on BMI and SMEs not generally having formal management structures, it will be interesting to explore how the BMI process is like in their context. With regards to the consequences of BMI, there is a consensus among BMI researchers that it is favourable to the firm (e.g. Lindgardt et al., 2009; Schneider and Spieth, 2013), although the business model concept and its innovation have a 'dark side' which is usually ignored (Ghezzi, 2014). To this end, Demil et al. (2015) caution that future research must investigate whether BMI has a 'dark side', as research on the phenomena is still nascent. However, at present, the bulk of the evidence thus far seems to support the assertion that BMI when successful leads to positive firm performance (Amit and Zott, 2012; Markides, 2008; Giesen et al., 2007). So, asserting that BMI is useful for the firm is not an unfounded position.

The review of literature thus far reveals that regardless of all that is known on BMI, the BMI process in the incumbent SME remains unexplored. Answers to what are the antecedents and consequences of BMI, the types of BMI, and how SMEs approach BMI can be found in extant literature. However, the same cannot be said for the BMI process in incumbent SMEs, particularly those operating amidst significant institutional voids and this research aims to add to current understanding by filling this gap.

## **2.5 DEFINING THE SMALL BUSINESS**

SMEs have been subject of increasing attention from governments' in both developing and developed economies. Although the contributions and relevance of the SME to the economy have been questioned, SMEs are usually referred to as the backbone to most economies (Storey,

1994). The sheer vastness of the SME population in an economy emphasise their significance. Even when the informal sector is excluded the SMEs contributions to the economy is very significant. SMEs account for most of the enterprises in an economy (Ardic, Mylenko and Saltane, 2011), and a meaningful share of employment and national income (Ayyagari, Beck and Demirguc-Kunt, 2007). In Europe for instance, if SMEs are considered to be firms that employ less than 250 people, then they account for about 99 per cent of the total enterprises (Papadopoulos et al., 2019), 67 per cent of employment and 58 per cent of gross value added in an economy (Tewari et al., 2013). Elsewhere, Tewari et al. (2013) reveal how the United Nations Industrial Development Organisation (UNIDO) estimates that SMEs represent over 90 per cent of private business and contribute more than 50 per cent of employment and GDP in most African countries. In addition to accounting for a significant share of economic activity at any given point, SMEs, taking together as a whole, contribute enormously to driving the GDP, innovation and the productivity growth of the economy (Tewari et al., 2013) thus making their competitiveness paramount.

### ***2.5.1 Defining an SME***

Regardless of the importance of the SME sector and the attention given to them in the economy, what constitutes an SME is not universal. Because of this, SME research is bound to be difficult (Curran and Blackburn, 2001). Intuitively, everyone will have an idea of what constitutes “smallness” in any context, but, it is this issue of context that seems to lead to issues of ambiguity when one attempts to define an SME. As far as precision goes, the best answer to the question ‘what is a small firm?’ is ‘it depends’ (Deakins and Freel, 2009). The ambiguous nature of what constitutes an SME necessitate that its meaning is clarified in this work. Several definitions have been put forward to describe what an SME is, and all have been based on different criteria: from the numbers employed, financial turnover, capital, management structure, ownership forms etc. Some definitions have been more quantitative, whereas some others have been qualitative, but as Curran and Blackburn (2001) emphasise, none is intrinsically good than the other. Instead, the research goals are what usually tend to justify the definitional approach taking to define the SME.

A universal SME definition will be difficult to come by, if not impossible. Most commonly used approaches have been defining SMEs by the number of their employees (Storey, 1994; Curran and Blackburn, 2001). The commonly used quantitative approach of defining the SME by its

number of employees can be very problematic when different industries are taking into consideration. A grocery retail shop that employs 50 people and an oil exploration firm employing the same number cannot both be treated as 'small'. Both might have a similar number of employees but can vary mainly in several qualitative ways. The number of employees' approach to defining the SME rules out far too many qualitative characteristics that its credibility has been criticised (Curran and Blackburn, 2001). An alternative to using the numbers employed approach to defining the SME is using financial turnover as a metric. This, some argue, is far worse (Curran and Blackburn, 2001). The grocery retail shop mentioned can have an annual turnover of well under £100, 000 a year but the 'small' oil exploration firm (which is supposed to be its SME counterpart) might easily have a turnover of £1, 000, 000 or more a year. An even bigger problem is finding out firm turnover as most SMEs are not known for proper record keeping (Curran and Blackburn, 2001). Many small business owners tend to use differing financial management conventions and practices (Jarvis et al., 1996) so data on their turnover might be unavailable even to serve the intended definitional purpose.

In place of numbers employed and financial turnover, which is more quantitative nature, other qualitative approaches have been proposed to help address contextual issues when defining SMEs. One of the first was that of the Bolton Committee (Bolton, 1971). This was aimed at positing an ideal type definition combining three key elements: "First, in economic terms, a small firm is one that has a relatively small share of its market. Secondly, an essential characteristic of a small firm is that its owners or part-owners manage it in a personalised way, and not through the medium of a formalised management structure. Thirdly, it is also independent in the sense that it does not form part of a larger enterprise and that the owner-manager(s) should be free from outside control in taking their principal decision" (Bolton, 1971, p.1). The clear intention here, it seems, was to capture the salient and distinctive characteristics of the small firm as opposed to the larger firm. However, as the Bolton Committee itself acknowledged, their definition is complicated to operationalise because the data on "...business population in terms of ownership, management, organisational structure and market shares..." (Bolton, 1971, p.3) is difficult to obtain. Other definitions have been formulated to capture more qualitative definitions of the SME. The assumption that seems to underpin these attempts is the Penrosian view that the small firm and the large firm are fundamentally different (Curran and Blackburn, 2001). Another definition that attempts to isolate the basic differences between small and large firms on a qualitative criterion is that of (Wynarczyk et al., 1993). The authors argue that there are three central ways in which small firms differ from large firms, and they are

uncertainty, innovation and evolution. Uncertainty is linked to the fact that small firms are price-takers, lack resources and are generally unable to withstand external influences on the way their businesses run. Innovation and small firms are often linked, but rather than expensive research-based breakthrough innovations, small firms are much more likely to be different by offering marginally differentiated or non-standardised varieties of products or services. The key point under this category, it is argued, is the active engagement in innovation processes by small firms. Evolution, the authors point out, refers to the greater likelihood of small firms to experience a greater range of changes than their large counterparts. These changes are, in Penrose's terms, the multiple and complex changes that take place when a caterpillar is metamorphosing into a butterfly. The attempt by Wynarczyk et al. (1993) aims to conceptualise the fundamental differences between the small firm and the larger firm and many aspects of their conceptualisation appear agreeable. However, their construct is more evocative rather conceptually robust (Curran and Blackburn, 2001). Levels of uncertainty in small firms vary, particularly in the knowledge-based sector. A small firm of special consultants might be able to take on an all comers in the market, whether big or small because of its superiority in expertise in its industry (Jones and Tilley, 2003). Innovation is too difficult to conceptualise clearly enough (see discussion in section 2.6) to use reliably in defining the SME (Curran and Blackburn, 2001). For evolution, from small to medium to large firms, all go through an enormous amount of change. However, in practice, not many small firms evolve to become large firms, so the evolution category becomes quite questionable (Burns, 2016). Whereas the quantitative approaches to defining SME have been neglected certain fundamental characteristics, the qualitative approaches to define the SME have been difficult to operationalise and has thus not yielded wide adoption or further development (Curran and Blackburn, 2001). Burrows and Curran (1989) offer a middle ground between the quantitative and qualitative approach via a combination of the two. Small businesses, they argue, are to be defined based on their two categories: legal independence and what they termed grounded notions of size. With regards to legal independence, they point out that researchers often equate small establishments and small businesses, which they consider to be wrong. They contend that a small establishment could be 'small' but not be independent as it might be part of a larger firm and thus operational procedures will be dictated from head office rather than by those running the establishment. A small business they assert is very different in that regard as it independently owned and a single-outlet enterprise. Building on legal independence, the researchers link it with the grounded notions of size for varieties of small firms. This grounded

notion of ‘smallness’ is arrived at by investigating those that are engaged in economic activity within the industry being researched (i.e. managers and owners SMEs, suppliers, trade association representatives etc.). The authors contend that from such investigations with ‘industry insiders’, a more appropriate and suitable enough definition for ‘smallness’ in a particular industry can be arrived at. This grounded qualitative/quantitative approach has not yielded wide adoption and has its disadvantages (Curran and Blackburn, 2001). The grounded approach to defining what an SME is has its merits, but it will be time-consuming and near impossible to operationalise (Curran and Blackburn, 2001). Constructing sector-based definitions for every sector through this approach in large-scale multiple sector research might be extremely difficult if not possible ss.

The complexities surrounding the attempts to define what an SME is no excuse not to propose a definition for an SME, regardless of how imperfect it may be. As Burrows and Curran (1989) mention, returning to simple, across-the-board numerical definitions based on employment or turnover alone means to return to what they refer to as size-reductionist analyses. Smallness, they add, is not a technical characteristic of an organisation per se; instead, it is a contingent one. This research will adopt the quantitative approach to defining an SME for two reasons. Firstly, the small scale nature of this study means the researcher can bring more subjectively prone out the small firms selected to make sure that all the firms selected are indeed “small businesses”. Proponents of the grounded approach (e.g. Burrows and Curran, 1989) argue that to include furniture restorers, corner shops, newspaper retails, computer software firms, restaurants and oil exploration firms in the same category merely because they employ a stipulated number of employees or their turnover falls below some level, is to ignore a wide array of sector characteristics that make them very different from each other (Curran and Blackburn, 2001). The author of this work is in strong support of this and thus aims to go a step further after adopting the quantitative to defining small firms to qualitatively ensure that they are indeed small independent firms and not small establishments (Curran and Blackburn, 2001). This is achieved through the selection criteria for selecting SMEs for the study (see section 5.2.1). Secondly, the quantitative approach to defining SMEs is the approach used by Ghana’s National Board of Small-Scale Industries (NBSSI hereafter) and since this research is based in Ghana and aims at making recommendations for the NBSSI, adopting their definitional approach makes more practical sense. These two reasons will help to enhance the operability of the definition adopted while ensuring the definition used is theoretically robust.

## 2.6 INSTITUTIONAL VOIDS

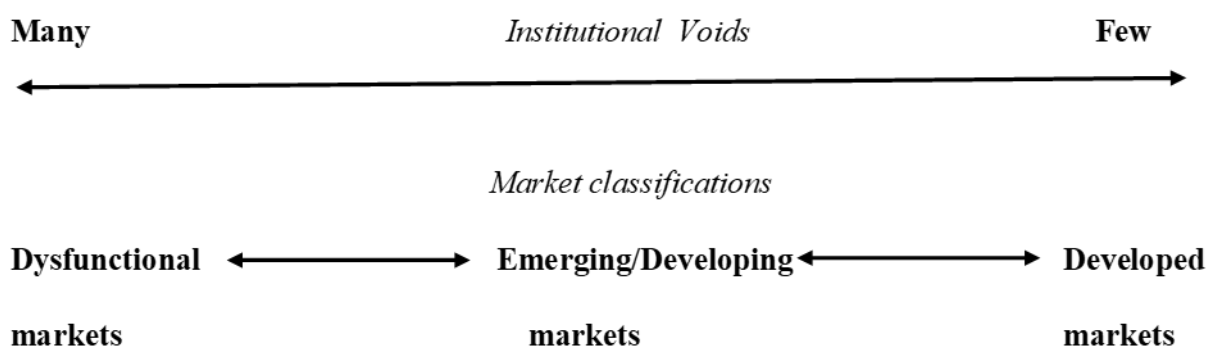
Bruton, Ahlstrom and Li (2010) in their review point out that the term “institution” broadly refers to the formal rule sets (North, 1990), ex-ante agreements (Shepsle and Bonchek, 1997), less formal shared interaction sequences (Jepperson, 1991), and taken-for-granted assumptions (Meyer & Rowan) that organizations and individuals are expected to follow.

There are two broad streams of institutional theory (DiMaggio and Powell, 1991; Bruton, Ahlstrom and Li, 2010). One stream is mainly from sociology and organisational theory (Scott, 1995; 2008) whereas the second is based on work in political science and economics (see North, 1990). North asserts that institutions are the rules of the game in a society or the humanly devised constraints that shape human interaction (North, 1990, p.3), institutions are the “regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life”. The conceptualisation of institutions in this work is slightly skewed towards the political and economics stream, but the work borrows from and incorporates elements from both streams to make it comprehensive (Bruton, Ahlstrom and Li, 2010). Thus, following Bruton, Ahlstrom and Li (2010) in their review, “institution” broadly refers to the formal rule sets (North, 1990), ex-ante agreements (Shepsle and Bonchek, 1997), less formal shared interaction sequences (Shepsle and Bonchek, 1997), and taken-for-granted assumptions (Meyer and Rowan, 1991) that organizations and individuals are expected to follow.

Institutions help reduce uncertainty by providing a structure to everyday life, and they also affect the performance and activities in economies (North, 1990). North (1990) further adds that institutions affect how markets function as they influence transaction costs of business activities. Countries, therefore, differ in how institutions affect their economies, society and businesses since different countries have different institutional contexts. The differences in institutional context between countries mean that some countries will have better and well-developed institutions as compared to others, and such is the case between developed and developing countries. The highly developed and well-functioning institutions that developed economies enjoy and take for granted are either absent or underdeveloped in developing countries. All the specialised intermediaries, economic entities and other market supporting institutions that insert themselves between potential buyers and sellers to bring them together and reduce transaction costs are not equally present in every economy. In developed countries,

all these exist and are relatively well developed, whereas, in developing countries, they are absent or underdeveloped. Institutional voids, a phrase coined by (Khanna and Palepu, 1997), refers to the absence, underdevelopment or malfunction of the range of institutions needed to facilitate the functioning of markets. Ideally, every economy would provide a range of institutions to facilitate the functioning of markets, but developing countries fall short in several ways (Khanna and Palepu, 1997; 2010). As can be seen in Figure 2.1, all markets—both developed and developing—have institutional voids, albeit some will have more institutional voids than others.

Figure 2.1-Continuum of institutional voids (source: adapted from Khanna and Palepu, 2010)



The concept of institutional voids—the absence or underdevelopment of institutions that enable and support market activity (Khanna and Palepu, 1997; Khanna, Palepu and Sinha, 2005)—serves as a useful theoretical construct to study how the context a business finds itself in influences it since the transaction costs and operational constraints a business is bound to come against is dictated by the institutional voids.

Companies in developed countries take for granted a range of institutions that support their business activities, but many of these institutions are absent in other regions of the world. Developing markets, in the middle of this continuum, offer the prospect of substantial growth because they have developed at least some of the institutions necessary to encourage commerce, but institutional voids are still common enough to cause market failures; as a result, companies in developing markets often face several operational challenges and high transaction costs (Khanna and Palepu, 2010). As a result, companies operating in developing countries must adapt their strategies to fit their institutional context (Khanna and Palepu, 1997). Khanna and Palepu (1997) in their seminal work on institutional voids identified five aspects of the institutional context namely: a country's product, capital, and labour markets; its regulatory system; and its mechanisms for enforcing contracts. However, in a later work (Khanna, Palepu



and Sinha, 2005), they modified the original framework slightly. They maintained the product, capital and labour markets; tweaked the regulatory system to become political and social systems; and added openness at the expense of the contract enforcement mechanisms.

These modifications, it can be argued, were made due to the scope of their 2005 paper (i.e. Khanna, Palepu and Sinha, 2005). The Political and social system was just a merger of the regulatory systems, contract enforcement mechanisms plus informal (i.e. normative and cognitive) aspects of institutions that were not included in their 1997 paper (i.e. Khanna and Palepu, 1997). Openness referred to a country's receptiveness towards inward foreign direct investment and foreign companies coming to operate in there. The inclusion of openness was unsurprising, considering that the 2005 paper was about strategies that multinationals could employ to fit in emerging markets.

North (1990) asserts that the significant role of institutions in a society is to reduce uncertainty by establishing a stable—but not necessarily efficient— structure to human interaction. From that background, it is uncontroversial to argue that weak institutions (i.e. institutional voids) will render the business environment very dynamic which will warrant the importance of dynamic capabilities in the firms operating in such environments. Put differently, institutional voids make environments unpredictable and replete with change (Khanna and Palepu, 1997; 2010) that it becomes vital for businesses operating in such contexts to possess the ability to adapt and respond to such a dynamic business environment. Teece, Pisano and Shuen (1997) refer to the ability to achieve and sustain competitive advantage in rapidly changing environments as being dependent on dynamic capabilities. They go on to define dynamic capabilities as the “firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece, Pisano and Shuen, 1997, p.516). Dynamic capabilities are specific organisational and strategic processes (e.g. product innovation, alliancing, strategic decision making) by which managers alter their resource base (Eisenhardt and Martin, 2000).

The dynamic capabilities view, which is grounded in the resource-based view of the firm (Barney and Clark, 2007), focuses on the internal organisation of firms and how these can lead the firm to remain competitive in a changing environment. BMI is vital in remaining competitive and a key theme, as Teece, Pisano and Shuen (1997) points out is that strong dynamic capabilities enable the creation and implementation of effective business models. BMI in firms will thus be influenced by the dynamic capabilities in the firm, especially the firms

amidst institutional voids. Teece points out that “...dynamic capabilities can be disaggregated into the capacity (1) to sense and shape opportunities and threats, (2) to seize opportunities, and (3) to maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise’s intangible and tangible assets” (Teece, 2007, p.1319). This view of dynamic capabilities will influence how BMI is looked at in the firms in this research.

### ***2.6.1 Institutional voids framework***

With the preceding discussion in mind, Khanna and Palepu’s (1997) original framework is adopted and adapted for this work. The original five components of institutional context— i.e. product market, capital market, labour market, regulatory systems, contract enforcement mechanisms— is kept and adapted to include informal norms/culture (North, 1990; Mair and Marti, 2009; Mair, Martí and Ventresca, 2012). This is because Khanna and Palepu’s (1997) framework leaves out the informal aspect of institutions (North, 1990), what Scott (1995) describes as the normative and cognitive aspect of institutions. Informal aspect of institutions plays a significant role in how markets function (North, 1990; Scott, 1995; Mair and Marti, 2009; Mair, Martí and Ventresca, 2012) particularly in contexts where formal institutions are not so well developed. So, their inclusion for this work was deemed useful since the work is based in a developing country with an underdeveloped institutional context and also the work aims to develop context-relevant theories by taking a context-driven approach (Galvin, 2014). Formal institutions do not exist in a vacuum as they are embedded in codes of conduct, norms of behaviour and conventions of the society. Formal rules make up a small (although essential) part of the sum of constraints that shapes the actions of organisations and individuals and underlying these formal aspects of institutions are informal constraints (North, 1990; Scott, 1995). Also, aside from the influence of literature, another reason for modifying the framework of Khanna and colleagues was due to insights from the pilot study. From the pilot (see discussion in section 3.4.3), it was discovered that informality was such a strong aspect of how they SMEs operated and thus including informal institutions in the institutional voids framework to be used is warranted.

With all these in mind, informal norms/normative and cognitive pillars were added to Khanna and Palepu’s (1997) framework extending the institutional dimensions from 5 to 6 components. Table 2.1 below shows an overview of the institutional voids framework for this research

mapped against other vital works on institutions that were influential in adapting Khanna and Palepu's (1997) original framework.

Table 2.1-Institutional voids framework and dimensions of institutions

<i>Adaptation of Khanna and Palepu (1997; 2010) &amp; Khanna, Palepu and Sinha (2005). for this study</i>	<i>Degree of Formality (North, 1990)</i>	<i>Supportive Pillars (Scott, 1995)</i>	<i>Examples</i>
Regulatory systems (Regulations)	Formal institutions	Regulative (coercive)	Laws
Contract enforcement mechanisms			Regulations
			Rules
Informal institutions (Normative and cognitive institutions)	Informal institutions	Normative	Norms
		Cognitive	Cultures
			Ethics
Product Market			The market for goods and services
Capital Market			The market for capital and investment
Labour Market			The market for wage labour

## 2.7. PRACTICAL CONTEXT: UNDERSTANDING THE CONTEXT OF THE INTERVIEWEES

The practical context that the institutional voids framework will be operationalised in will be presented in this sub-section. This will not be a comprehensive history of Ghana. However, a brief overview of the country taken from various sources (i.e. Ghana Governments website<sup>3</sup>,

<sup>3</sup> <http://www.ghana.gov.gh/>, <http://presidency.gov.gh/index.php>

The Ghana Statistical Services<sup>4</sup>, The World Bank<sup>5</sup>, The World Factbook<sup>6</sup> and Encyclopaedia Britannica<sup>7</sup>) will be discussed to help readers unfamiliar with Ghana. The aim here is to give the reader a “thick description” (Geertz, 1973) of the Ghanaian context, that way the assertions and conclusions that will be presented later in the final chapters of the work can be viewed in context.

### ***2.7.1. Ghana: The national context***

Ghana is a West African country, bounded on the north by Burkina Faso, on the east by Togo, on the south by the Atlantic Ocean, and on the west by Côte d’Ivoire. Formerly a British colony known as the Gold Coast, the country was led to independence by Dr Kwame Nkrumah on the 6th of March 1957. Oral traditions position the history of Ghana over the period 1200–1600. However, the recorded history of Ghana begins in 1471, when Portuguese traders landed on the coast in search of gold, ivory, and spices. Following the Portuguese came the Dutch, the Danes, the Swedes, the Prussians, and then the British.

Commerce in gold gave way to the slave trade until Britain outlawed the slave trade in 1807. The 19th century brought a gradual adjustment to legitimate trade and the withdrawal of all European powers except the British (Maier et al., 2019). Ghana became the first black nation south of the Sahara to achieve independence from colonial rule in 1957 (Maier et al., 2019) but only adopted a multiparty system in 1992 (UNDP, 2019). Since independence, Ghana has experienced four military coups and ten changes of government but remains one of the peaceful countries in Africa. The following subsections will draw from diverse sources (i.e. Ghana Governments website, The Ghana Statistical Services, The World Bank, The World Factbook and Encyclopaedia Britannica) in an attempt to paint a generic description of Ghana basic but comprehensive enough for this study.

#### ***2.7.1.1. Ghana’s economy***

Ghana's economy is led by the agricultural sector, which accounted for about 35% of GDP and employed 65% of the labour force in 2001. Over 300 state-owned enterprises dominated the

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<sup>4</sup> <http://www.statsghana.gov.gh/index.php>

<sup>5</sup> <https://www.worldbank.org/en/country/ghana/overview>

<sup>6</sup> <https://www.cia.gov/library/publications/the-world-factbook/geos/gh.html>

<sup>7</sup> <https://www.britannica.com/place/Ghana>

Ghanaian economy before 1990. However, more than 150 of these firms had been privatised by 1996, and since then the overall pace of privatisation has been slow. The economy is hampered by poor roads and an inadequate telecommunications sector. Inflation has also been a problem peaking at 70% in 1995 before receding to about 21% by the end of 2001 and then to 9.8%. Ghana remains heavily reliant on international assistance from the World Bank, its largest donor.

Ghana's economy accelerated to 8.5% in 2017, making it the second-fastest-growing African economy, trailing only Ethiopia. The year was off to a strong start; growth for the first quarter of 2018 was 6.8%, above 6.7% recorded in 2017 primarily driven by the continued expansion of oil production. The non-oil GDP growth was 5.4%, compared to 4.0% in the first quarter of 2017. The industry sector recorded the highest growth of 9.6% driven by oil, although this was lower than the 11.8% growth in 2017. The services sector grew by 5.2%, higher than the 3.3% recorded in the same period in 2017 and driven by the information and communication subsector. However, the agriculture sector growth of 2.8%, driven by livestock, was much slower than the 8.4% recorded in the same period in 2017.

The inflation rate has stabilised to levels within the central bank's target range of 6-10%. Headline inflation fell from close to 20% in 2016 to 9.4% in December 2018. This decline was driven by moderations in both food and non-food inflation, the relative stability of the Ghana cedi as well as the ongoing fiscal consolidation. The moderation in inflation created room for policy easing since July 2017, as the policy rate was cut from 21.5 in January 2017 to 20% in September 2017 and is at 17% in September 2018. Growth for 2018 is expected to be moderate as one-off effects of oil production from new wells fade. Real GDP is projected to grow by 6.5% in 2018 and will remain around this level through 2020.

#### *2.7.1.2. Demographics in Ghana*

The population of Ghana in 2018 was 29.7 million with various small ethnic groups giving the country an overall population density of 130.821 people per sq. Km of land area. The most densely populated parts of the country are the coastal areas, the Ashanti region, and the two principal cities, Accra and Kumasi. About 70 % of the total population lives in the southern half of the country.

The estimated household population is 26.3 million, with an average household size of 4 people. The population is made up of 48.3 % males and 51.7 females, indicating a sex ratio of 93 males to 100 females. Children under 15 years constitute 39.4 % of the population, while persons 65 years and older constitute 4.8 %. This leads to a dependency ratio of 79.2. More than two-thirds of households in the country are headed by males (69.5%) compared to 30.5% for females.

#### *2.7.1.3. Education in Ghana*

Almost one-fifth of the population has never been to school (19.7%) with 44.6% attaining less than Middle School Leaving Certificate or Basic Education Certificate. The proportion of females who have never been to school (24.3%) is higher than males (14.6%). In the case of attainment of secondary or higher education, the gender gap is more prominent (18.0% males compared to 11.8% females). The school attendance rate for males (93.4%) is higher than females (90.6%). Literacy levels are higher in urban (69.6%) than rural (41.7%) areas with the rural savannah having the lowest rate of 30%. About 4% of the population 15 years and older have never attended a literacy course. The proportion of females (3.9%) who have never attended these courses is slightly higher than males (3.7%).

#### *2.7.1.4. Health in Ghana*

More than two-thirds of the population are either registered or covered by a health insurance scheme (67.6%) with coverage being higher in urban areas (71.5%) than in rural areas (63.9%).

#### *2.7.1.5. Employment in Ghana*

More than three-quarters of the population 15 years and older are economically active (77.1%), with 75.5% employed and 1.7% unemployed. About four out of every five persons in rural areas are employed (81.7%) compared to 69.9% in urban areas. Majority of the employed population is made up of own-account workers (46.4%) with nearly the same proportions being employees (22.5%) or contributing family workers (22.3%). About half of the females (50.5%) are own-account workers compared to males (41.9%). The proportion of females who are contributing family workers (27.9%) is also higher than males (16.4%). In contrast, 32.5% of males are employees compared to 13.2 % of females. Less than 6% of the employed persons are engaged in the public sector (5.9%); 46.1% are engaged in agri-business, while 41.9% are engaged in

the private informal sector. Less than one-quarter of the currently employed persons (17.8%) have attained secondary or higher education. About one-third (33.2%) have a middle school leaving certificate or necessary education examination certificate. A higher proportion of males (37.6%) than females (29.2%) have a middle school leaving certificate or basic education certificate.

#### *2.7.1.6. Housing in Ghana*

Majority of households (60.6%) in the country live in compound houses made up of several rooms. About one-tenth (10.4%) live in huts or buildings within the same compound while 15.2% live in separate houses. Small proportions live in semi-detached houses (7.0%) or flats and apartments (3.6%). More than two out of every five households (45.9%) live in their own houses while 26.8% live in rented premises. The number of rooms available to a household is a determinant of the social status of the household. It also has implications for the health of the members. About one-third of households (32.7%) with two or three members occupy a single room while 14% of households with four members occupy a single room. Also, 9.4% of households with five members occupy a single room.

Nearly two-thirds of households (65.0%) live in dwellings whose outer walls are of cement blocks or concrete while 31.1% have their outer walls made of mud, bricks or earth. About one-third of households (32.3%) have their main source of drinking water as a well while 28.9 % have their source as pipe-borne. Also, 12.5% of households obtain their water from a public tap or standpipe. Every seven out of ten households (70.6%) have electricity as their main source of lighting. Urban households (88.6%) are more likely to access electricity for lighting than rural households (60.7%). More than one-third of households use a public toilet facility (35.7%) while 19.1% use a pit latrine. Only 13.9% of households use a water closet facility while 18.8% of households have no toilet facility and so use open spaces including the bush, field or beach.

#### *2.7.1.7. Non-farm enterprises in Ghana*

More than two-fifths of the households in the country (44.3%) operate a non-farm enterprise (classified as Manufacturing, Trading, and Other Activities). Females operate about 70% of these enterprises (70.6%). Household savings account for 73% of the source of capital for operating non-farm enterprises and only 2% of non-farm enterprises source capital from banks. The average annual expenditure on inputs by non-farm enterprises per enterprise was GH¢110.4

per enterprise, while the estimated annual value of inputs was GH¢7,121.6 million. The annual estimated revenue for non-farm enterprises was GH¢48,645.9 million. The largest share of this revenue was allocated to households (GH¢7,467.9 million), with GH¢3,578.2 million going into savings.

#### *2.7.1.8. Household income and economy in Ghana*

The mean annual household expenditure is GH¢9,317, with the highest wealth quintile having an average expenditure of GH¢14,665 compared to GH¢3,924 for the lowest quintile. The share of the highest quintile in the mean annual household expenditure is 47.9%. The highest quintile has a mean annual per capita income of GH¢6,337 while the lowest quintile has a mean per capita income of GH¢644. The Greater Accra region has the highest mean annual expenditure of GH¢13,303 while the Upper West region has the lowest (GH¢5,991). Expenditure on food (actual and imputed) accounts for 46.7% of the total household's estimated total annual expenditure of G¢61,507 million. Expenditure on housing accounts for 12.4 % of total expenditure by households.

#### *2.7.1.9. Household access to financial services in Ghana*

More than one-third of household members (34.1%) hold an insurance policy in the country. For households in which no member holds a policy, almost half (48.5%) attribute it to affordability while one-fifth (20.5%) do not find it necessary to hold a policy. A higher proportion of household members in urban areas have a short-term insurance policy covering commercial or business (89.4%), property (83.3%), vehicle (77.4%) and funeral (74.3%).

More than one-third of households (35.4%) hold a bank account or are contributing to a savings scheme. For those not holding an account, the main reason was the inadequacy of money or income (43.8%). About 30% cited not having a regular income while 19.9% did not find it necessary to own a savings account. In urban areas, the majority of households (81.9%) applied for the loans for land acquisition while in rural areas the main purpose was for the purchase of agricultural inputs (80.7%). The main sources of loan acquisition were relatives and friends (22.0%), savings and loan schemes (19.6%) and private banks (18.6%).

#### *2.7.1.10. Governance, peace, and security in Ghana*



Peace and security in a country allow citizens to go about their lawful activities in a peaceful and secure environment. More than two out of every four respondents (46.3%) think the government never takes their concerns into account before changing laws. Lastly, about one-fifth of households (19.9%) think that people have to pay additional monies to government officials most of the time in order to have things done for them.

### ***2.7.2. Overview of the five regions the interviewees are based in***

Although more regions are being created at the time this thesis is being written, as of December 2018, Ghana was divided into ten administrative regions, subdivided into a total of 170 districts. The regions (with their regional capitals) are Ashanti (Kumasi); Brong-Ahafo (Sunyani); Central – (Cape Coast); Eastern – (Koforidua); Greater Accra – (Accra); Northern – (Tamale); Upper East – (Bolgatanga); Upper West – (Wa); Volta – (Ho); Western – (Sekondi-Takoradi).

The 14 SMEs came from five regions among these ten—i.e. their main business premises are based in these five regions even where they have other branches—and so a brief overview will be given of these five as it will be instrumental in putting later explanations into context and also aid in justifying why some interpretations of data are preferred over others. It must, however, be mentioned that the small businesses were not arbitrarily selected from these five regions but rather, those firms that met the sampling criteria (see section 5.2.1) and was willing to partake in the research happen to be from those regions. Table 6.1 below depicts the number of businesses that came from each region.

Table 6.1-Regional location of SME participants

<b>REGION</b>	<b>NUMBER OF SME PARTICIPANTS</b>
Greater-Accra	10
Ashanti	1
Western	1
Central	1
Northern	1

#### *2.7.2.1. Greater-Accra region*

The Greater Accra Region is the smallest of the ten administrative regions in terms of area, occupying a total land surface of 3,245 square kilometres or 1.4 % of the total land area of Ghana. In terms of population, however, it is the second most populated region, after the Ashanti Region, with a population of 4,010,054 in 2010, accounting for 15.4 % of Ghana's total population.

The region has remained the most densely populated region in the country since 1960. Population density (measured as the number of persons per square kilometre) has increased from 151.6 in 1960 to 895.5 in 2000. The region's population density has doubled between 1984 and 2000, and this is, in part, a reflection of migratory movements to the region. The densely populated nature of the region is brought into sharp focus when it is compared with the other regions.

- **Demographic characteristics**

The population of Greater Accra has increased from 491,817 in 1960 to 2,905,726 in 2000. Its share of the total population of the country has steadily increased from 7.3% in 1960 to 15.4% in 2000. The region has remained the most densely populated region in the country since 1960. Population density (measured as the number of persons per square kilometre) has increased from 151.6 in 1960 to 895.5 in 2000. The region's population density has doubled between 1984 and 2000, and this is, in part, a reflection of migratory movements to the region.

- **Social characteristics, Literacy of population, Economic Characteristics & Economic activity and employment**

Six out of every ten economically active persons in the region are in the private informal sector. This high proportion in the informal sector points to lack of employment opportunities that compel people to create their jobs which in turn often leads to the fractionalisation of profits and a condition of shared poverty. A population of 1,945,284 persons aged 15 years and older, 1,377,903 or 70.8% are economically active. Among the economically active population, 82.6% had worked, 4.0% had jobs but did not work, and 13.4% are unemployed. The region's unemployment rate (13.4%) is higher than the national figure of 10.4%.

The occupational structure of the region shows that 42.0% of the economically active population was engaged in sales and service occupations, while professional, technical and related workers comprise 10.8%. The three largest occupational groups among males are production, transport

operators and related workers (29.6%), sales workers (19.4%), and clerical and related workers (14.4%), compared with 42.0% of females in sales occupation, 19.5% in production, transport and equipment, and 13.9% in service occupations. The industrial sector is dominated by wholesale and retail trade (30.4%) and manufacturing (16.7%).

More than half of the economically active population in the region is self-employed with employees, while a third (32.6%) is employees. A much more significant proportion of females (62.6%) than males (41.6%) are self-employed without employees, implying that males are 1.5 times more likely than females to be employees. The private informal sector, which employs 6 out of every ten economically active persons, plays a leading role in the economy of the region.

Females (69.1%) dominate the private informal sector, compared with 55.8 % of males in this sector. On the other hand, a higher proportion (40.7%) of males than females (28.5%), are employed in public and private formal sectors. As expected, the region has a more significant concentration of professional and technical workers (10.8%) compared to the national figure of 6.5%. On the other hand, agriculture, animal husbandry, and forestry, fishers and hunters, do not feature as prominently (9.1%) as is the case for the country as a whole (49.1%).

#### *2.7.2.2. Ashanti region*

- **Demographic characteristics**

The population of the region is concentrated in a few districts. The Kumasi metropolis alone accounts for nearly one-third of the region's population. Slightly over half, 51.5 %, of the population of the region is in four districts. While more than half of the population in the region resides in urban areas, in 15 of the 18 districts, over half the population live in rural areas. The high level of urbanisation in the region is due mainly to the high concentration of the population in the Kumasi metropolis.

- **Social characteristics, Literacy of population**

Information on the levels of educational attainment and literacy show that between 40.0% and 50.0% of the population in the districts, particularly, females either have no formal education or have only pre-school education. The proportions in junior high schools are low, ranging from 16.1% to 22.4%, tapering down further to lower proportions at higher levels of education. Illiteracy levels are high in the districts and higher for females than the males; the level is also higher in rural areas than in urban areas.

Apart from traditional healers, community facilities such as schools, hospitals/clinics, and telephones, all of which contribute to the improvement in the living conditions of people, are scarcely found in all the districts, except the Kumasi metropolis. In most of the localities in the districts, the nearest facility is located more than 10 kilometres away. Traditional healing is the only facility that is mostly found in the localities or within a short distance. It reveals that 35.0% of the population, 15 years and older in the region are not literate. A little under half (48.1%) are literate in both English and a Ghanaian language. Only 3.2 % are literate in a Ghanaian language only, while less than 1.0% is able to read and write in other languages.

There are differences between the sexes in terms of literacy. More than half (55.8%) of the males are literate in English and a Ghanaian language compared with two fifths (40.4%) of the females. On the whole, the illiteracy level for the region (35.0%) is lower than that of the national average (42.1%).

- **Economic Characteristics & Economic activity and employment**

The major occupation in all the districts is Agriculture/Animal Husbandry/Forestry, except in the Kumasi metropolis, where sales workers predominate. The proportion of females in Sales is higher than that of males in all the districts. The proportion of females in Agriculture/Animal Husbandry/Forestry is also higher than that of males for the region as a whole. Majority of the economically active population are self-employed, mainly in the private informal sector, which provides job opportunities, particularly for females with little or no formal education.

#### *2.7.2.3. Western region*

- **Demographic characteristics**

The Western Region comprises five major indigenous ethnic groups. The level of literacy in the region is 58.2%, compared to the national average of 57.9%. The level of literacy for females (47.9%) in the region is low as compared to males (68.0%). This low literacy level for females could be linked to the low level of educational attainment in the region. The highest educational attainment level by females (42.4%) in the region is primary, while for males (42.4%) it is middle/junior secondary school.

The level of literacy in the region is 58.2 %, with females (47.9%) recording a lower proportion compared to males (68.0%). Nearly two-thirds (64.3%) of those currently in school are at the

primary level, while 21.3% is in junior secondary school. There is, therefore, a very high attrition rate between primary and junior secondary school levels.

- **Economic Characteristics & Economic activity and employment**

The four major occupations in the region are agriculture including fishing, animal husbandry and hunting (58.1%), production and transport work (14.5%), sales work (10.2%) and professional and technical work (5.4%). The major industrial activities in the region are agriculture, excluding fishing but including forestry and hunting (58.1%), mining and quarrying (2.4%), manufacturing (10.2%) and wholesale and retail trade (10.3%). The working population in the private formal (13.5%) and the public (6.0%) sectors are mainly employees of private and public sector employers.

More than two-thirds of the economically active population in all the districts of the region is made up of self-employed persons with no employees, except in Shama-Ahanta East (50%). The active population in Shama-Ahanta East consists mainly of employees who work for a public or private employer. Agriculture (excluding fishing) remains the biggest industrial activity in the region, employing more than 50% of workers in all districts. In all the districts, the private sector (both formal and informal), employs more than 80 % of the working population

#### *2.7.2.4. Central region*

- **Demographic characteristics, Social characteristics, Literacy of population**

The rural/urban classification of localities is population-based, with a population size of 5000 or more being urban and less than 5000 being rural, as used in earlier censuses.

Ghanaians constitute 96.9 % of the total population in the Central Region, made up of 92.5 % Ghanaians by birth and 4.4% naturalised Ghanaians. There are more naturalised males than females.

- **Economic Characteristics & Economic activity and employment**

In both 1984 and 2000, agriculture was the main type of economic activity for both males and females. Agriculture was even more important in 1984 (64.0%) than 2000 (54.8%). This means that an increasing proportion of people in the economically active population is shifting from agriculture to other areas of economic sectors, as urbanisation increases, and people attain

higher education. Sales were the other major economic activity in 1984 while it ranked third in 2000.

The economically active population in the region is engaged mainly in Agriculture (excluding Fishing), with 44.5% of them employed in the branch of activity. This represents a decline from the 1984 level of 61.9 %. The next highest proportion of the economically active population is employed in Wholesale and Retail Trade (18.4%), followed by Manufacturing (12.2%) and Community, Social and Personal Services etc., (9.9%). These four major economic activities employ a total of 85.0 % of the economically active population, which is lower than that of 1984 (94.4%).

Apart from agriculture and sales, a significant proportion is engaged as production and transport equipment operators. There were more people engaged in this activity in 2000 (16.1%) than in 1984 (13.8%). In each of these years, the proportion of males was higher than that of females in this field. Between 1984 and 2000, the proportion engaged in professional and technical jobs increased from 3.9% to 6.4%. As in the case of production, transport and equipment operators, the proportion of males in professional and technical occupation was higher than that of females.

#### *2.7.2.5. Northern region*

The Northern Region is the largest area of Ghana. As of 2009, it is divided into 20 districts. The region's capital is Tamale. Climatically, religiously, linguistically, and culturally, the region differs significantly from the politically and economically dominating regions of central and southern Ghana. The Northern Region, which occupies an area of about 70,383 square kilometres, is the largest in Ghana in terms of land area.

- **Demographic characteristics**

The Northern Region is the largest of the ten regions of the country in terms of landmass, occupying 70,384 square kilometres and accounting for 29.5% of the total land area of Ghana. It has almost the same land area as the Western, Greater Accra, Volta and Eastern Regions put together (28.1%).

- **Social characteristics, Literacy of population**

More than half of the population of the region (56.2%) are Muslims. The rest are mainly adherents of Traditional religion (21.3%), Christians (19.3%) and other religious groups (3.3%). On average, about 22.0 % of the population 15 years and older, are classified as literate.

- **Economic Characteristics & Economic activity and employment**

Agriculture, hunting, and forestry are the main economic activities in the region. Together, they account for the employment of 71.2% of the economically active population, aged 15 years and older. The private informal sector absorbed 83.4% of the economically active population. An additional 11.5 % are in the private formal sector leaving the public sector with only 4.3%. The majority, (40.5%) of the 251,221 the not economically active are homemakers and just under a quarter (24.4%) are students. Those who are not working because of old age constitute 14.8%. A small proportion is not working because of disability (2.2%) or are pensioners who are on retirement (1.2%) while 16.9% are classified as others. Nearly 68% of the economically active population are classified as self-employed, while 22.9% is unpaid family workers; only about 6.1% are employees. The bulk (83.4%) of the population of the region are employed in the private informal sector. An additional 11.5% are employed in the private formal sector.

### ***2.7.3. Institutional context***

A profile of Ghana institutional context will be provided in addition to the description given about the practical context of the country and regions. The description of the institutional context will be based on three dimensions of a country's institutional profile; namely regulatory, cognitive and normative dimensions (Busenitz, Gomez and Spencer, 2000; Kostova, 1997).

### ***2.7.4. The institutional context for Ghanaian SMEs: an outsider's view***

Entrepreneurs and SMEs in one country may have a competitive advantage over their counterparts in other countries due to certain country-level institutional differences and so laying out the institutional profile of Ghana—in addition to the description of the practical given—will be useful for the data analysis to come. Busenitz, Gomez and Spencer (2000) explain the regulatory dimension of the institutional profile as consisting of laws, regulations, and government policies that provide support for new businesses, reduce the risks for individuals starting a new company and facilitate entrepreneurs' efforts to acquire resources. The cognitive dimension, they add, consists of the knowledge and skills possessed by the people in a country on establishing and operating a new business. Lastly, they go on to explain how the normative dimension measures the degree to which a country's residents admire entrepreneurial activity and value creative and innovative thinking. Data from the World Bank

and Global Entrepreneurship Monitor (GEM)<sup>8</sup> is taken as an independent, authoritative source to help describe the institutional profile of Ghana.

#### *2.7.4.1. Regulatory dimension*

The World Bank Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level. Doing Business captures several critical dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level. Doing Business captures several critical dimensions of the regulatory environment as it applies to local firms. It does not include all the issues that are relevant to businesses' decisions, but it does cover essential areas that are under the control of policymakers. On the ease of doing a business ranking, Ghana is 120th out of 190 countries and is 57.24 on the distance to frontier (DTF) scale. Economies are ranked according to the DTF score they get, and among the economies of Sub-Saharan Africa, Mauritius has the highest distance to frontier score (77.54), while Somalia the lowest (19.98); which helps put Ghana's ranking in perspective. The distance to frontier measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance, and 100 represents the frontier. So, Ghana ranking 57.24 on the DTF scale, a few points above the regional average (Sub-Saharan Africa) of 50.43 and 20.34 behind the best performer in the region helps put the country's regulatory context for businesses in perspective.

#### *2.7.4.2. Cognitive dimension*

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<sup>8</sup> [file:///C:/Users/aning/Downloads/1403527699GEM\\_Ghana\\_-\\_Policy\\_Highlights%20\(3\).pdf](file:///C:/Users/aning/Downloads/1403527699GEM_Ghana_-_Policy_Highlights%20(3).pdf),  
<https://gemconsortium.org/economy-profiles/ghana>,  
[file:///C:/Users/aning/Downloads/1395323791GEM\\_2012\\_Sub-Saharan\\_Africa\\_Regional\\_Report%20\(4\).pdf](file:///C:/Users/aning/Downloads/1395323791GEM_2012_Sub-Saharan_Africa_Regional_Report%20(4).pdf),  
[file:///C:/Users/aning/Downloads/2015-youth-report-summaries-ghana-1434103951%20\(3\).pdf](file:///C:/Users/aning/Downloads/2015-youth-report-summaries-ghana-1434103951%20(3).pdf)



The cognitive dimension consists of the knowledge and skills possessed by the people in a country pertaining to establishing and operating a new business. Data from Global Entrepreneurship Monitor (GEM) reveals that entrepreneurship in Ghana primarily takes the form of self-employment, rather than job creation (GEM, 2012), and the percentage of 18-64 year-olds of the Ghanaian population who believed they have the required skills and knowledge to start a business was 85.77% (GEM, 2019)<sup>9</sup>.

#### *2.7.4.3. Normative dimension*

The normative dimension measures the degree to which a country's residents admire entrepreneurial activity and value creative and innovative thinking. Data<sup>10</sup> taken from GEM (2019) study shows that over 80% of Ghanaians regard going into business as a right career choice and over 90% accord high status to entrepreneurs. The report goes on to add that over three-quarters of Ghanaian adults (aged 18 to 64) say they can see good opportunities in the private sector and an even higher number (84%) think they have the skills and capacities necessary to start a business. Some 60% declared that they intend to set up on their own account. These numbers are among the highest in the Sub-Sahara Africa region.

## **2.8. CONCLUSION**

Following the review of relevant literature, this research will proceed to investigate the BMR process in small businesses amidst institutional voids. The meaning of BMR to be adopted in this work has been explained following a discussion of the debates surrounding the definition of the key terms in this research—i.e. business model, BMI, institutional voids. Small businesses will be defined using the quantitative approach, and they will be studied using the institutional voids framework from Khanna and colleagues (Khanna and Palepu, 1997; 2010; Khanna, Palepu and Sinha, 2005) to conceptualise their context. The practical context and within which the research will take place, and the regions within which the interviewees are based was discussed. The next section will look at the pilot study that was conducted for this research and how contributed to this work.

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<sup>9</sup> <https://gemconsortium.org/economy-profiles/ghana>

<sup>10</sup> <https://gemconsortium.org/economy-profiles/ghana>

## CHAPTER 3: PILOT STUDY

### 3.1 OVERVIEW

In this chapter, an overview of the pilot study, how it was carried out, and insights from it will be presented as the pilot phase was very influential to how the research was designed and carried out. Undertaking this before the methods and methodology chapter aids one in understanding the rationale behind decisions made in the main fieldwork.

### 3.2 OVERVIEW OF PILOT STUDY

After the literature review, an idea of how the research will be conducted was conceived. However, before proceeding to the main fieldwork, a pilot study was planned to test the research design. The researcher then travelled to Ghana to conduct this pilot on five SMEs on their premises. An overview of the pilot study and the findings that emerged from it will be discussed in this section.

The gaps identified in the literature review revealed that there was little research on the BMI process and the available research was overwhelmingly focused on firms in Western economies—there are exemptions to this, and a notable example is Yunus, Moingeon and Lehmann-Ortega (2010). Where there was research on the BMI process, it was based on MNCs and headline-making start-ups, all mostly in the West and other developed countries. A qualitative research approach was chosen in the pilot study to investigate five cases that were selected via purposive sampling. The scope of the research was to look at existing SMEs in a developing country (i.e. Ghana), investigate why and how they change their business model and what outcomes they get.

The original research goal set was to find out how small businesses innovate their business models and how their task environment influences them in doing so. The following research questions were thus set for the research:

1. **Why:** Why do small businesses innovate their business models? Under what conditions do they innovate their business models? Are they forced to, or, they choose to? What “causes” small firms to innovate their business model?

2. **How:** If small businesses decide to innovate their business model, how do they go about it? How is the process from the exiting business model to the innovated business model like? How does their task environment influence the process of innovating the business model?
3. **What:** What are the consequences of BMI? Does BMI bring some development? Do business model innovators outperform non-business model innovators or not?

The overarching aim of the work was to posit a framework for BMI in small businesses. To achieve that, the following research objectives were set:

1. To identify and explain the mechanisms that small businesses employ to identify the factors that necessitate BMI.
2. To identify and explain how small businesses formulate responses to BMI stimuli.
3. To understand and explain the intra-firm BMI process in SMEs, its nature, and why it is so.
4. To identify the challenges small businesses, face in the BMI process.
5. To understand how small businesses evaluate the consequences of BMI.
6. To posit a framework for BMI in small businesses.

All the research took place in Ghana on the premises of the small businesses as the work focused on how existing small businesses innovated their business models. Data collection was carried out in-person by the researcher using a semi-structured questionnaire, and the data analysis was done manually due to the small sample size. The semi-structured questionnaire that was used for the interview was divided into three parts to investigate the following:

1. **The present way of doing business**—i.e. the current business model & the current business environment of the small business,
2. **The past way of doing business**—i.e. the past business model & the past business environment of the small business—and,
3. **The changes that have taken place in between**—i.e. the innovations that have taken place in their business model, the changes that have occurred in their business environment and how the changes in the environment influenced how the small businesses innovated their business model.

The stages involved in the data analysis were data cleaning and transcribing, skimming through the data & preliminary analysis, first cycle analysis, second cycle analysis, categorising and

theorising; all for the within-case analysis. However, for the cross-case analysis, it only involved aggregating the within-case codes, categorising the resulting codes and theorising.

Several lessons were learned from the pilot, and it provided some critical insights for the research. The lessons learned influenced the main research substantially. So, the key lessons from the pilot will be presented here to throw some light on some significant changes that were subsequently made in the main research.

### **3.3 FINDINGS FROM PILOT STUDY**

The key findings to be presented will be grouped into three parts, namely: theoretical insights, methodological insights, and potential answers to research questions. The part on theoretical insights will throw light on some insights that being in the ‘field’ revealed about some theoretical aspects of the work. The methodological insights section will expand on the insights that the pilot study generated about the research methods of the research. Lastly, the potential answers to the research question section will touch on some answers that the pilot generated towards the research question of the thesis.

### **3.4 THEORETICAL INSIGHTS**

The theoretical insights learned from the pilot will be presented here. The insights to be discussed were influential in making modifications to the original theoretical conceptualisation of the research

#### ***3.4.1 Conceptual framework***

From the pilot, it was disclosed that the conceptual framework of the study had several limitations in its conceptualisation of the SMEs business model and the context within which they operate and innovate their business model.

##### ***3.4.1.1 Conceptualising the business model***

It was realised that the original conceptual framework implicitly leaned towards a static conception of the business model (see section 2.4), and it was overly simplistic also. The conceptualisation of the business model suggested that small businesses will have a present

business model they are operating with at the present moment, a past business model they use to operate with in the past, then there will be a series of innovations made to the past (i.e. old) business model to arrive at the present business model. However, it was discovered that this supposition inherent in the conceptual framework was practically flawed and thus had to be abandoned. The pilot revealed that although the small businesses studied had a present business model, they had several past business models. That is, before arriving at their present business models, they had adopted several business models and innovated them along the way to arrive at their current business model. It seemed that their business model is often changing and thus had transformed severally over time. So, there was no “one past business model” to refer to as the business model of the past for these small businesses as their business model was changing a lot in practice. For instance, the business model used in December 2017 was not identical to the business model that they used in March 2015 and the one in March 2015, in turn, was not identical to the one in say April 2015. So, when asked about how they did business in the past, they would often respond, “When in the past?”, “What time?” Thus, in the main work, how far back the interviewees travelled was left open to them, but it was found that they always started from the beginning of their businesses and proceeded chronologically in their explanation while touching on the main/significant changes in their business model.

#### *3.4.1.2 Meaning of the “Task Environment.”*

An essential part of the initial research question was to find out about how the task environment the small businesses operated in influenced their BMI process. The initial conceptual framework had the task environment as part of it, and this referred to the context of the small business. However, it was realised in the pilot that this concept—i.e. task environment— was fuzzy at best, and the small businesses meant different things when they spoke of their task environment. The researcher attempted to explain the task environment to all the interviewees, but it was discovered that the understanding of the participants differed starkly from each other. Their understanding of it was not convincing enough for the researcher, and it also proved very challenging in trying to explain it to them in the local language due to its abstract nature. It was either too vague or too ambiguous to the participants that it had to be reconsidered. As a result, the “task environment” was dropped in favour of the institutional voids framework.

### ***3.4.2 Business Model Innovation, Business Model Evolution, or Business Model Reconfiguration***

The revelations from the pilot on how small firms innovate their business model led to the researcher seriously questioning the definition, adequacy and practical utility of the term “business model innovation” in researching changes to the business model of small businesses. Some scholars (see section 2.4) question the usefulness of the term BMI and even question whether it is thoroughgoing enough to capture all the “changes” that take place in a business model. So, this revelation was not surprising. What was indeed surprising was the fact that the researcher came to realise that BMI as predominantly conceived of in the literature does not capture the reality of the small firm. For small businesses, it is more appropriate to use the term business model reconfiguration (BMR) or business model evolution (see section 2.4) because, for them, their business model seems to be constantly changing throughout time. With this insight, BMR, as opposed to BMI, was favoured as a more accurate description of the reality of the small businesses in this research. Business model evolution was not chosen for two reasons. One, from the researcher’s point of view, the phrase “business model evolution” connotes that the business model of the small business was evolving by itself; an assumption that the researcher finds implausible and untenable. Also, the notion of business model evolution seems to imply that the business model evolves along a particular predetermined path; another assumption deemed improbable by the researcher.

BMR seemed a more accurate depiction of the reality that was discovered in the pilot study. From the pilot, it was discovered that “innovations” in the business model of the small businesses tended to be incremental and minor non-trivial changes to their business model. That is, it became evident that the current business model of the small businesses tended to be different from what they had in the past, radical innovations to their business model were extremely rare but not absent, and also their current business models were arrived at due to several incremental innovations to their business model over time. This practical insight from the pilot persuaded the author of the work towards BMR as a more accurate description of the “innovations” in the small firm’s business model.

Another reason for favouring BMR came from literature. A further look into the literature after the revelations from the pilot favoured the switch from BMI to BMR. This is because some researchers approved of the BMR—i.e. innovations in the business model that captures modifications of business models of existing firms along various degrees of novelty (Massa and

Tucci, 2014; Casadesus-Masanell and Ricart, 2010; Clauss et al. (2019). Massa and Tucci (2014), for instance, distinguish between business model *design* in new firms and BMR in existing firms. They use BMR to capture the phenomenon by which managers reconfigure organisational resources or acquire new ones to change an existing business model (Massa and Tucci, 2014). The reconfiguration process, for Massa and Tucci (2014), requires shifting, with different degrees of radicalism, from an existing business model to a new one. A similar approach, where BMR is used to refer to modifications of varying degrees in the business model, is used adopted by Casadesus-Masanell and Ricart (2010), although they do so more implicitly than explicit. Clauss et al. (2019) are more explicit about their use of BMR as they identify six types of BMR characterised by different degrees of newness namely: business model innovators, classic innovators, market penetrators, networkers, exploiters, and rigid firms. This classification employed by Clauss et al. (2019) is based along two dimensions: “scale” (i.e. intensity) of changes (incremental vs radical) and “scope” of changes (number of components changed). They describe the six types this way. *Classic* and *business model innovators* carry out more extensive reconfigurations and are therefore more radical. *Networkers* and *market penetrators* are conceived as “business model reconfigurators” as they apply rather incremental changes to only one or a few sub-components of the business model. *Rigid firms* and *exploiters* are sticking to their existing business models and are prone to denying a necessity for BMR. This move by Clauss et al. (2019) adopts both a qualitative (i.e. intensity) and quantitative (i.e. the number of components changed) approach to defining innovations in the business model (see chapter 2.4.1 for the context of this assertion). BMR is adopted henceforth in this study.

### **3.4.3 Informality in small businesses**

The pilot highlighted to the researcher how informality is pervasive to the operations of small firms.

1. Although the researcher was marginally aware of this fact due to his past experiences in SMEs, what was striking was the fact that the SMEs spoke of their operations in a way that gave the impression that they were very organised and formal with well-established structures. However, a visit to their business premises coupled with the examples they gave on their operational processes revealed otherwise.

2. Another realisation also was that the drivers behind the informality in small firms, at least the ones studied, was stemming from their external environment. That is to say, the reason why the small firms adopted informal processes in their operations was mainly due to the influence of context they found themselves in.
3. For the small firms studied their adoption of informal ways of doing things, even if they were deemed illegal or unacceptable or unprofessional, was a no brainer as they were deemed necessary if they were to keep their business thriving.
4. For the small firms, they had to adopt whatever was necessary, no matter how informal to keep their business thriving. This notion of informality will be unpacked later in the work when informal institutions are discussed in chapter six.

### **3.5 METHODOLOGICAL INSIGHTS**

The methodological insights learned from the pilot will be presented here. The insights here were vital in changing the initial thoughts the research had about the methods and methodology for the research.

#### ***3.5.1 Triangulation problems***

Triangulation was a goal in the research, but it was discovered from the pilot study that it would not be practically achievable in the case of small businesses in the context that was being studied due to their way of operating. The aim of the researcher, for instance, was to collect two primary forms of data from the small firms, archival data from their business records and interviews, which would then be the main data corpus. However, it was found from the pilot that the small firms had little of such business records to allow triangulation. Firstly, the small firms with informal business structures had little business records, if any at all. All they kept were records of their income and expenditure, and they were very reluctant in sharing these with the researcher. Secondly, those small firms in the pilot that had what came close to proper records—the ones with relatively formal business structures compared to others in the pilot sample—were even more reluctant in sharing their records. They will not even show it to the researcher, and indeed some found it “improper” for the researcher to even ask that an inspection of their records would help triangulate what they say in the interview. To them, the researcher was a



Ghanaian and was expected to “understand”. This forced the researcher to rely solely on interviews in the main research.

### ***3.5.2 The relevance of second interviews***

The pilot also revealed to the researcher something that could not have been anticipated in the data collection. That was the unhelpful nature of the second interviews in the small businesses. The second interviews did not add any more “flesh” to the “bones”. The original plan was to interview the two participants in the small firms separately, and these would be individuals that are higher up in the small firms’ organisational structure.

However, it was realised that second interviewees were mainly repeating the information that the first interviewees had given and some even tried not to contradict the first interviewees. One reason that was quite obvious and could account for this was that most of the first interviewees were higher up in the organisational structure (i.e. they were either the owner-manager, the owner-managers relative or key decision maker) and so the second interviewees did not want to go against the grain and contradict them. One could “feel” second interviewees were “being in their place”. SMEs cannot be considered as a scaled-down version of a large firm, and despite their apparent simplicity, their ‘smallness’ does not mean studying them is simple (Curran and Blackburn, 2001). A small number of human beings (e.g. in the case of a 14-sized SME) engaged in a collective endeavour can create very intricate, subtle interactions which can be challenging to research (Curran and Blackburn, 2001). In the case of the SMEs in particular, where activities lack clear structures and recording procedures, measurement becomes much more difficult in SMEs (Curran and Blackburn, 2001) and that problem was encountered in the pilot study when it was time for second interviews.

## **3.6 POTENTIAL ANSWERS TO THE RESEARCH OBJECTIVES FROM THE PILOT STUDY**

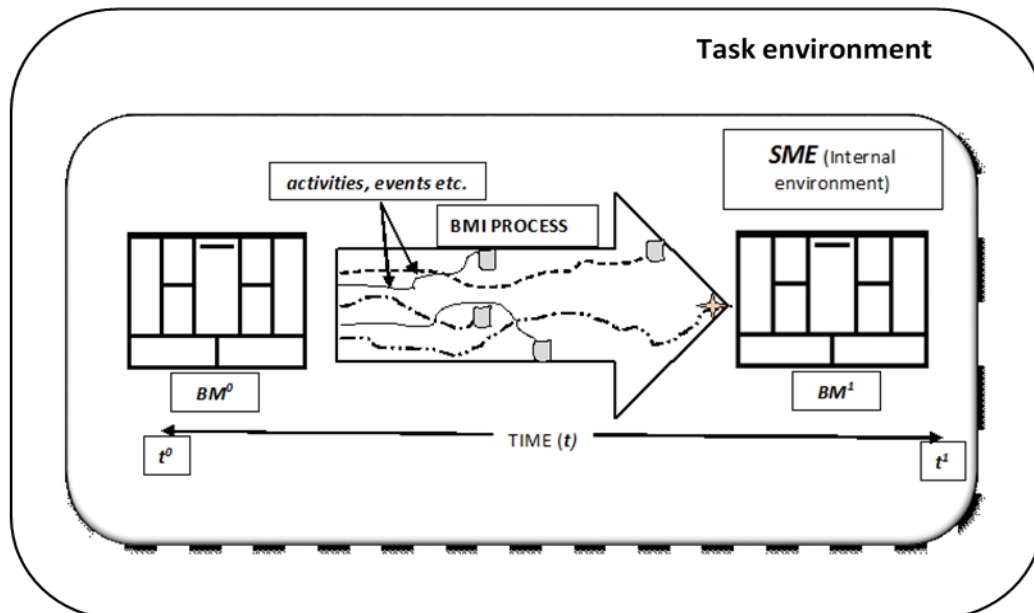
- 1. How small businesses identify triggers for business model change and how they formulate a response (Research aim one and two):** The pilot revealed that small firms’ main avenue for sensing triggers to modify their business model is via their key/main customers. These are the key accounts who patronise their products and/or services the most and in large volumes. It was discovered that the small firms stayed

very close to these key clients and relied on their feedback as key information to modify their business model.

2. **The intra-firm business model reconfiguration process (Research aim three):** The pilot revealed that the business model BMR process in small firms is overwhelmingly emergent. They “do as they go” and do not concern themselves with planning to modify their business model. They get down to doing it when the need arises, and until then, their only concern is to continue with their business operations.
3. **Challenges involved in innovating the business model and factors that help SMEs to overcome them (Research aim four):** The pilot also revealed that although BMI is very challenging when it has to be done, there are some moderating factors that make it possible for small businesses. Access to capital ranked as the highest and most critical challenge when small firms try to change their business model, and this is because almost every decision comes with a financial cost of some sort. The owner-managers and the senior managers having a vibrant network & strategic alliance was also a huge moderating factor. Especially, claimed the interviewees, in the context of Ghana, where if one does not have contacts in “high offices” one cannot get ahead. Owner-managers and senior managers in the firm being well-connected thus helped in the process of reconfiguring its business model. The last key moderator was the educational background of the owner-managers. It was noted in the pilot that the owner-managers/management teams that were highly educated (i.e. had post-secondary education) seemed to cite it as an enabler in helping them know which changes need to be made to their business model.
4. **How small businesses assess the outcome of their business model BMR process (Research aim five):** Profit is the answer. When adequate profit is being made by the small business, and there exists the assurance of future profit flow from their current business model, they are unconcerned about any other metrics. For the firms in the pilot, once profit was being made, it followed that customers were happy, and so they were doing everything right. Thus, the best way to assess the outcome BMR process is profit.

5. **A framework of the business model in small firms (Research aim six):** The initial conceptual framework used for the pilot is what is presented below in Figure 3.1.

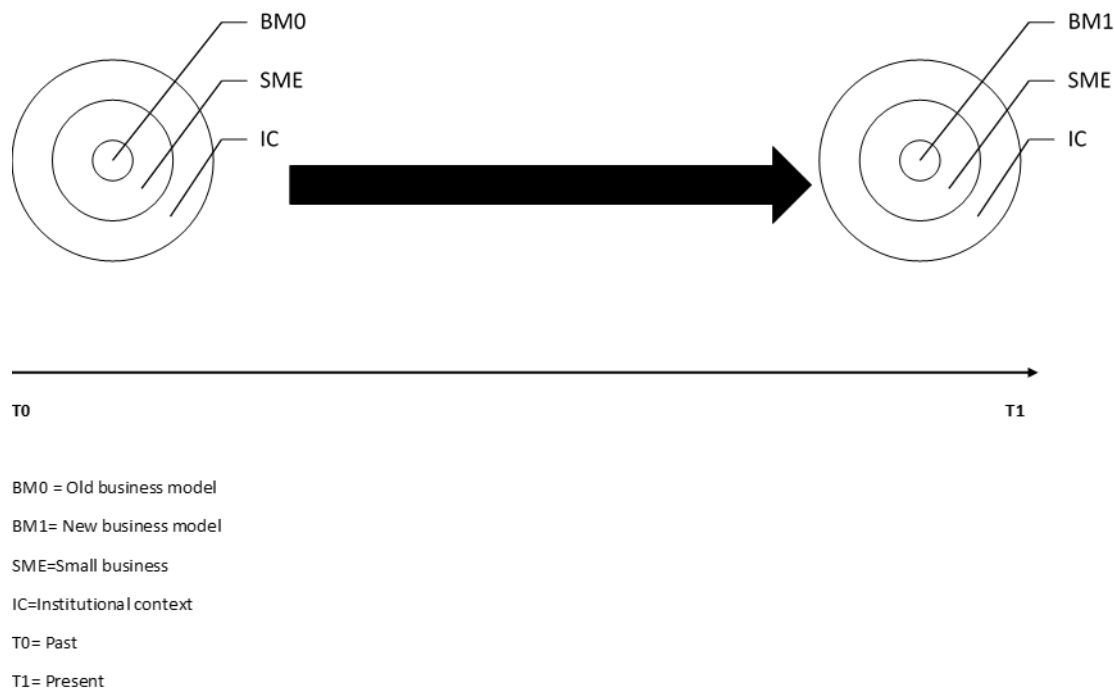
Figure 3.1-Conceptual framework for the pilot study (source: Author's construct, 2016)



The goal was to investigate how SMEs innovate their business model (i.e. BMR process) and how their task environment influenced the process. As seen in Figure 3.1 above, the business model of the SME is in a particular task environment with specific characteristics at a particular point in time (i.e.  $t^1$ ). Over time, the business model is innovated to arrive at business model 1 (i.e.  $BM^1$ ).

However, after the pilot, the task environment was replaced with the institutional context due to problems faced during the pilot on operationalising the task environment as a concept. Also, the researcher found using institutional theory to study the environment small firms find themselves in will be a more novel approach with more to offer in terms of advancement in existing knowledge as compared to the literature on business environments since Ghanaian SMEs operated amidst several institutional voids. The modified conceptual framework after the pilot is as follows in Figure 3.2, and the only change that was made to it was to replace the task environment with institutional context.

Figure 3.2-Revised conceptual framework after the pilot study (source: Author's construct, 2017)



### 3.7 ADDITIONAL LESSONS FROM THE PILOT

The insights from the pilot were very instrumental in developing and refining the quality and rigour of the work even further, especially the fieldwork. Aside from the insights elaborated above, there were also some key lessons which were learned from the field. They are not profound enough to make them key insights, but they are interesting, constructive and beneficial enough to merit separate treatment as they have also influenced the overall thrust of the thesis. They are briefly listed and explained below:

1. BMI, as traditionally conceived of, is the result of a series of reconfigurations in the small firms' business model over a long period. Radical transformations in the small firms' business model are rare.

2. To marry the institutional theory with BMI literature and drop the “task environment” concept as the former offered more novelty in terms of contributions that can be made to the current understanding of BMI.
3. To add institutional bodies in charge of regulating the affairs of SMEs to the interview participants.
4. The past-present dichotomy of the past business model and the present business model was not empirically useful and needed to be abandoned and thoroughly revised.
5. The effects of BMR are transient, and it does not last long. So, the small businesses interviewed sought to cement their competitive advantage via strategic alliances/rich networks and access to capital.
6. To simplify and avoid where possible the use of academic jargon as some interviewees switched between speaking English and the local dialect.
7. Most small businesses “over-represent” themselves on their websites, over the phone and on their social media pages and so conducting the interviews in-situ was paramount.
8. A positive was that the pilot confirmed that the duration of the interview had to be drastically reduced as most interviewees lost their initial enthusiasm after the first 20-25 minutes.
9. That the researcher had to be more reflexive about his moral sentiments and endeavour to guard them tightly so that they do not bias his view about the responses of the interviewees.

### **3.8 CONCLUSION**

The forgone insights and lessons from the pilot study aided in developing the work further before embarking on the main empirical work. As with most research concerned with the understudied context of a relatively new subject area, a pilot study was deemed necessary to enhance the qualitative rigour of the study and also to help in reducing procedural bugs in the research methods that might go unnoticed. The pilot study proved tremendously useful as it revealed some blind spots in the original conception of the research methods for the study. It exposed aspects of the data collection and analysis that would have been incredibly hard to anticipate. Also, it enabled the researcher to try out alternative methods in collecting the data before selecting those that will produce the most precise results for the fieldwork. Lastly, considering that the author of this work is an early career researcher, the pilot helped

enormously in reducing some of the pitfalls in interviewing and qualitative data collection that could not have been anticipated.

## CHAPTER 4: METHODS AND METHODOLOGY

### 4.1 OVERVIEW

The approach to the methods and methodological assumptions of this work will be presented in this chapter. The aim is to take the reader from the gap identified in the literature, through to the nature of the research questions that were formulated and then go on to present the approach deemed fit to answer the set research questions.

### 4.2 RESEARCH QUESTIONS AND OBJECTIVES

Following the lessons from the pilot, the central focus of the study was now to combine institutional theory with BMI research and thus investigate how institutional voids influence the BMR processes in SMEs. Put differently, how institutional voids influence the way small businesses reconfigure their business model became the central guiding question. To achieve this, the following research questions were formulated:

1. How do small businesses sense and assess opportunities to reconfigure their business model?
2. How do small businesses initiate, coordinate and implement changes in their business model?
3. What is the nature of the BMR process in small businesses, and how does the institutional context within which they operate influence the process?
4. How do small businesses assess the outcomes of the BMR process?

To answer the above research questions, the following research objectives have been set. They are:

1. **Sensing and response formulation mechanisms:** To identify and explain the mechanisms small businesses employ to identify and assess triggers for reconfiguring their business model; how they formulate their response(s); and how they initiate and implement the changes in their business model.
2. **Intra-firm BMR process:** To understand and explain the nature of the BMR process in small businesses and explain why it is so.
3. Research objective three is further broken down into two parts in 3A and 3B.

- A. **BMR Context:** To understand the institutional context within which BMR takes place and how this context influences the BMR process in small businesses.
- B. **Enabling factors on the process:** To identify, understand and explain the significant moderating factors and variables that influence the BMR process in small businesses and why they influence the process.
- 4. **Results assessment mechanisms:** To identify the approach, small businesses adopt to assess the outcome of the BMR process.
- 5. **Recommendations:** Base on findings to postulate implications to the theory and practice of business model reconfiguration in small businesses.

### 4.3 BOUNDING THE STUDY

According to Miles and Huberman (1994), a discussion about participants and site selection might include four aspects: the setting (i.e. where the research will take place), the actors (i.e. who will be interviewed or observed), the events (i.e. what the actors will be interviewed or observed doing), and the process (i.e. the evolving nature of activities and events undertaking by the actors within the setting). These four aspects are explained below regarding in the context of this research, but the events and processes aspect is explained together due to the nature of the research questions.

#### 4.3.1 *Setting*

The setting of the research will be that of a developing country. One may ask why? First, the bulk of academic research on BMI has been in developed countries, although there are exceptions, as have been pointed out in the literature review. Since the bulk of the available research is in developed countries, this research argues that a change in the institutional context of BMI can extend current understanding. Some contexts (e.g. Social entrepreneurship, government organisations) have received little, or no attention in the BMI literature and studies of BMI in the developing country context is one of them. BMI in the developing country can yield new insights since thus far, there is little on BMI studies in such a context. Using the example cited earlier in the work, for instance, based on insights from the ease of doing business index by the World Bank (2016) and the Global Competitiveness Index by the World Economic Forum (2014-2015), government and institutional support in developed countries for businesses is far higher than what exists in developing countries. It can be argued then that BMI



in both economies might differ significantly. Besides, what creates productivity and competitiveness of an SME in say UK (a developed economy) may not be same as what drives productivity and competitiveness in a similar SME operating in Ghana (a developing country). Also, since this research aims to study SMEs amidst institutional voids, setting the work in a developing country is what will allow the research aim to be achieved since developing countries have weaker and less developed institutions compared to developed countries. These viewpoints form part of the factors that influence the research to be staged in a developing country setting.

#### ***4.3.2 Actors***

There will be two sets of participants for this research; SMEs and institutional bodies. Participants from the first set will comprise of SMEs in Ghana, but the primary respondents will be the owner-managers and key decision-makers of these SMEs. Institutional bodies in Ghana that deal with regulating the institutional context of the countries SMEs will make up the second set of participants. The institutional bodies that fit this description are; the Ministry of Trade and Industries Ghana and the National Board for Small Scale Industries.

#### ***4.3.3 Events and processes***

Research on BMI is a large and broad area, and all the aspects of the subject cannot be studied in any one research. Scope and context of the study are paramount, and thus, an aspect of BMI will be the focus of this research. In order to ensure that this research is productive and broad enough to produce new knowledge without drowning in unnecessary complexity, only the BMI process, the events relating to this process and how institutional voids influence these processes and events will merit the attention of this research.

To summarise, the scope of this research will be an investigation of the BMI process at the firm-level of analysis, in a developing economy setting, respectively.

### **4.4 THE RESEARCHERS ROLE**

This being a qualitative research with an interpretivist philosophy, the role of the researcher is paramount. The qualitative nature of the work introduces ethical and personal issues into the research process, and with these in mind, the researcher in order to maintain rigour must

explicitly identify any biases, values, and personal interests about the research topic and process (Creswell, 2002).

#### ***4.4.1 Researchers experience and views***

As a Ghanaian, I will not conceal the fact that I am interested in my country's economic development and the entrepreneurship and SME ecosystem in my country. I am particularly interested in wanting to understand this ecosystem as much as possible so that I can contribute positively to the development of entrepreneurship and SMEs in the country and that in part motivates me to undertake this research. I think that SME development is one of the best ways that Ghana (and most sub-Saharan countries for that matter) can develop an economy beyond aid, and so aside from the contribution to academic knowledge, I also view the research I am doing as a somewhat micro-contribution towards the long-term economic liberation of several Ghanaians. I can relate to the plights of Ghanaian SMEs operating amidst the country's institutional voids because I have started and ran more than three businesses in Ghana before my postgraduate studies. At the time of this research, I do pro-bono consulting for some SMEs and together with my co-founders run a small business investment company in Ghana. All these influenced my decision to focus the study in Ghana as I am active in the SME ecosystem of the country.

I trust that my understanding of the Ghanaian context, my experience of life in the UK (a different institutional context from Ghana), my past entrepreneurial exploits, and my current involvement in Ghanaian SMEs as an investor and consultant enhances my awareness, knowledge, and sensitivity to some of the experience and processes in SMEs concerning how they change their business model. This, I am confident, is a massive advantage for me as a researcher as it enhances the likelihood of me understanding the nuances and subtleties of the phenomena being dealt with in this research. I suspect that BMI processes in institutionally weak environments will be different from BMI processes in robust institutional environments, and this motivates me to research this topic. Another view of mine is that most small businesses in developing countries are unable to survive, let alone grow and be successful because of the institutional voids they find themselves in. This view drives me to want to understand how the institutional context in a country influences the way SMEs change their business model in order to survive and remain competitive.

#### **4.4.2 Researcher's skills**

My research training has been more qualitative than quantitative, and so I lean more towards research where a qualitative approach can be applied. I acknowledge that the gap identified in literature can be filled using other methods than what is adopted in this research, but I chose the qualitative approach because it is what I am skilled in and interested in the most as a researcher.

#### **4.4.3 Potential biases**

Although every effort will be made to ensure much objectivity and transparency as is practical, there remains the risk of biases creeping into the research. There is the risk of me being overly confident about my first impressions and observations if care is not taken. Also, it is probable that if I do not exercise enough caution, I may have “self-fulfilling prophecies” and/or project my already held views and presuppositions onto the data that is collected. My approach to overcoming these biases is to always make apparent the rationale and justifications behind my interpretations. All arbitrary decisions and choices within this research that could be deemed controversial; I shall always endeavour to make them apparent as best as possible. Particularly under the data collection and analysis sections of the work, special care and attention will be given to making clear all interpretations and plausible alternative interpretations to ensure academic rigour.

### **4.5 RESEARCH PHILOSOPHY**

*“To ensure a strong research design, researchers must choose a research paradigm that is congruent with their beliefs about the nature of reality. Consciously subjecting such beliefs to an ontological interrogation in the first instance will illuminate the epistemological and methodological possibilities that are available” (Mills, Bonner and Francis, 2006, p.26)*

Questions of method are secondary to questions of paradigm in ontologically and epistemologically fundamental ways as inquiry paradigms define for inquirers what falls within and outside the limits of legitimate enquiry (Guba and Lincoln, 1994; Lincoln and Guba, 2013). Thus, Guba and Lincoln point out four defining questions that must be answered before researchers proceed to select methods for their inquiry (Guba and Lincoln, 1994; Lincoln and Guba, 2013):

1. **The ontological question:** what is the nature of reality and, therefore, what is there that can be known about it?
2. **The epistemological question:** what is the nature of the relationship between the knower or would-be knower and what can be known?
3. **The methodological question:** How can the inquirer (would-be knower) go about finding out whatever he or she believes can be known? Again, the answer that can be given to this question is constrained by answers already given to the first two questions; that is not just any methodology is appropriate.
4. **The axiological question:** Of all the knowledge available to me, which is the most valuable, which is the most truthful, which is the most beautiful, which is the most life-enhancing?

Crotty (1998), on the other hand, argues that in designing a research proposal, four questions must be considered:

1. What epistemology—theory of knowledge embedded in the theoretical perspective— informs the research (e.g., objectivism, subjectivism, etc.)?
2. What theoretical perspective—philosophical stance—lies behind the methodology in questions (e.g., positivism and post-positivism, Interpretivism, critical theory, etc.)?
3. What methodology—strategy of the plan of action that links methods to outcomes— governs our choice and use of methods (e.g., experimental research, survey research, ethnography, etc.)?
4. What methods—techniques and procedures—do we propose to use (e.g., questionnaire, interview, focus group, etc.)?

Creswell (2002) opines that these four questions show the interrelated levels of decisions that go into the process of designing research and that these are the aspects that inform a choice of approach, ranging from the broad assumptions that are brought to a project to the more practical decisions made about how to collect and analyse data. Creswell (2002) proceed further to suggest that Crotty's model address three questions central to the design of research:

1. What knowledge claims are being made by the researcher (including a theoretical perspective)?
2. What strategies of inquiry will inform the procedures?
3. What methods of data collection and analysis will be used?

To ensure an ontological and epistemological fit the interpretivist paradigm (Burrell and Morgan, 1979; Saunders, Lewis and Thornhill, 2016) is adopted or put differently a constructionist claim is being made (Crotty, 1998; Creswell, 2002). This position was arrived at based on the ontological and epistemological dispositions behind this work. To the ontological question, the author of this work thinks that the nature of reality is relative. Given that the ontological presupposition of relativism has been accepted, the response to the epistemological question is that there are many truths so what qualifies as adequate knowledge is subjective and socially constructed since the relationship between the knower and the knowable (to-be-known) is highly person-and-context-specific (Lincoln and Guba, 2013). With these two positions adopted, the author was influenced to choose the interpretivist/constructionist research philosophy. The issues concerning axiology have been dealt with (see section 4.4) and so will not be repeated here. Suffice it to point out that the axiological position is that values of the researcher cannot be absolutely detached from the research process as one's values are bound to influence the work being done (Lincoln and Guba, 2013). Therefore, the closest one can get to objectivity is to make explicitly one's values and biases and also make clear one's basis for making judgments and interpretations that may be deemed controversial (Heron, 1996). This will allow the readers of the research to judge how valid, plausible and reliable the findings of qualitative work are.

Now that the research philosophy of this research and its underlying assumptions have been clarified, the research strategy and how data will be collected and analysed will be treated in the next two sections.

## **4.6 RESEARCH DESIGN**

### ***4.6.1 The case study and sampling***

Qualitative research is associated with a variety of strategies. While these strategies share ontological and epistemological roots and common characteristics, each strategy has a specific emphasis and scope as well as a particular set of procedures (Saunders, Lewis and Thornhill, 2016). The case study strategy is adopted for this research. Considering the inductive and explanatory nature of the study and its goals towards theory building, a case study strategy will allow for the subject matter of the research to be studied in-depth. A case study allows an in-depth study of a topic or phenomenon within its real-life setting (Yin, 2013). The 'case' to be

studied in this research is the ‘BMR processes’ amidst institutional voids. Multiple cases, as opposed to a single case, will be studied to ensure literal replication, which, as Yin (2013) suggests, will lend more support for the resulting theory of this research. There is no upper or lower limit concerning the number of cases to be included in a study (Ghauri and Grønhaug, 2005), but this research will consist of fourteen small businesses and two institutional bodies. A purposive sampling technique will be adopted in selecting these cases as in qualitative research; sampling tends to be theory-driven to allow the selected sample to represent the phenomenon/case being studied (Bryman and Bell, 2015; Miles and Huberman, 1994).

The reason for having two institutional bodies for the study is mainly practical; they are the bodies in charge of regulating the institutional context within which SMEs in Ghana operate. As for reasons for having fourteen SMEs for the study, they are twofold. One is theoretical and the other practical. The theoretical reason is that fourteen cases are small enough to permit a detailed and in-depth study into the cases plus it is adequate to allow theoretical saturation—i.e. the point at which no new themes are being discovered from additional data that is collected (Barney G. Glaser, 1967; Guest, Bunce and Johnson, 2006). Guest, Bunce and Johnson (2006, p.79) in their experiment with data saturation found that “for most research enterprises, however, in which the aim is to understand common perceptions and experiences among a group of relatively homogeneous individuals, twelve interviews should suffice”. They go on to explain from their analysis that data saturation had, for the most part, occurred by the time they had analysed twelve interviews—i.e. 88%-92% of codes in their codebook occurred in the 12th interview. As Guest, Bunce and Johnson (2006) emphatically point out, this finding is not conclusive evidence that saturation will undoubtedly occur in the twelfth interview of any research; and that includes this study. However, if there is participant homogeneity in a purposive sample, one can expect to reach saturation sooner (Guest, Bunce and Johnson, 2006). The practical reason for using a small sample size for this research is to ensure that the study can be completed within the duration of a full-time PhD programme. Considering that this research is self-funded by the researcher (who is based in the UK) and the research site is in Ghana, there are significant financial costs involved in travelling to the SMEs. So, although the sample size can be increased, the author of this research is dissuaded by the financial consequences of such a decision and thus is content to be as pragmatic as possible in completing the work in the permitted time span especially when such pragmatic decisions do not undermine the theoretical rigour of the study.

#### ***4.6.2 Methodological choice***

According to Saunders, Lewis and Thornhill (2016), a qualitative research design may use a single data collection technique, such as semi-structured interviews. This is known as a monomethod qualitative study, and that is the data collection technique adopted for data collection with the small businesses in this work. This conclusion was arrived at after the pilot study. Why? Originally the intention was to conduct a multi-method qualitative study. That is to use multiple data collection techniques to collect qualitative data (such as interview, company records, website information, etc.) and quantitative data (such as financial records) from the research participants. However, the pilot study revealed that such a data collection instrument could not be used in the research setting. It was discovered, with little surprise that, most of the small businesses were unable to furnish the research with the data that was being solicited. In most instances, the data that was being sort was unavailable. For instance, it was the intention of the researcher to collect data from the small firms' social media page and/or business websites as well as their archival documents. However, the majority of the small businesses did not have it. In other situations, the data that was being sort was available (e.g. financial records, account ledgers, and financial records) but the interviewees were unwilling to give them to the researcher as they deemed it too confidential an information. After such an experience in the pilot study, the researcher had to resort to a monomethod qualitative approach to data collection. Nevertheless, in situations where the SMEs had other sources of information (e.g. social media pages) to enrich the data being collected, the researcher was open to using them. Concerning the institutional bodies, a multi-method approach was adopted to collect data from them as aside the interviews with these institutional bodies; they all have websites from which additional information could be mined for this research.

#### ***4.6.3 Data collection techniques***

The duration for the PhD and costs involved in conducting a longitudinal data collection in Ghana while residing in the UK compels the research towards cross-sectional data. Cross-sectional data will be collected via semi-structured questionnaires for this research from the research participants.

#### ***4.6.4 Data analysis and interpretation approach***

An approach drawing significantly from the Gioia method (Gioia, Corley and Hamilton, 2013) will be adopted and adapted for this research while basing on insights from Miles and Huberman (1994), Creswell (2002) and Braun and Clarke (2006) for some secondary guidelines. The steps involved are explained as follows, and all these activities will be carried using the Nvivo CAQDAS:

- **Step 1**

Organise and prepare the data for analysis. This involves transcribing interviews, typing up field notes and memos, or sorting and arranging the data into different types depending on the sources of information.

- **Step 2**

To read through all the data. A first general step will be to obtain a general sense of the information and to reflect on its overall meaning (Creswell, 2002). What general ideas are participants saying? What is the tone of ideas? What is the general impression of the overall depth, credibility, and use of the information?

- **Step 3**

Step 3 will involve first cycle coding. This will involve doing a first-order analysis using the participants' terminology and point of view as much as possible to avoid imposing one's theoretical views early on (Gioia, Corley and Hamilton, 2013). The uniqueness of each qualitative study means that the analytical approach to each study will be unique (Patton, 2015). Thus, the answer to which coding methods appropriate for each inquiry is: "it depends" (Saldana, 2016). The multiple case study nature of this makes one coding method inadequate to capture the complexities and nuances of the phenomena being studied (Saldana, 2016). With that in mind, a range of first cycle coding methods will be tactfully employed in the first cycle of the data analysis as and when needed during the initial coding of the data. A "splitting" approach will be adopted to the analysis in the first cycle in order to generate a more nuanced analysis from the beginning (Saldana, 2016). The "lumping" approach in the analysis will be



reserved for the second cycle. In this first cycle, great caution will be exercised in order to avoid employing too many methods for one study or even integrating incompatible methods.

The guidelines offered in Saldana's (2016) Coding Manual for Qualitative research will prove useful in this regard.

- **Step 4**

Saldana (2016) opines that depending on progress in the first cycle coding and the coding methods which we employed therein, and second cycle coding may not be necessary. Second cycle coding methods, if needed, Saldana (2016) adds, are excellent ways of reorganising and reanalysing data coded through first cycle methods. So, in this stage, second cycle coding methods will be employed to develop a sense of categorical, thematic, conceptual, and/or theoretical organisation from the array of first cycle codes. In this stage, some codes from the first cycle will be merged together because they are conceptually similar; infrequent codes will be assessed for their utility in the overall coding scheme; and some codes that seemed like good ideas during the first cycle coding may be dropped altogether because they are later deemed marginal or redundant after the data corpus has been thoroughly reviewed (Silver and Lewins, 2014). The second cycle coding is where second-order themes (Gioia, Corley and Hamilton, 2013) will be generated from the first cycle codes.

- **Step 5**

This is the post-coding stage, which will involve distilling the emergent second-order themes into "aggregate dimensions" (Gioia, Corley and Hamilton, 2013). The thematic analysis involved in this stage will be carried out by relying extensively on the guidelines offered by Gioia, Corley and Hamilton (2013), Saldana (2016), Braun and Clarke (2006), and Miles and Huberman (1994). The themes will be combined to have a data structure, which is what will be used for advanced theorising (Gioia, Corley and Hamilton, 2013).

- **Step 6**

The final step will involve making an interpretation or meaning of data. “What were the lessons learned” captures the essence of this idea (Lincoln and Guba, 1985). Here the data structure will be transformed into a grounded theory while making explicit how the data transforms into a theory (the goal here is to make clear how the raw data transforms to theory) (Gioia, Corley and Hamilton, 2013). Gioia, Corley and Hamilton (2013) emphasise that all conceptual leaps, “Shazam”! and eureka! moments, where one gain insights and add relationships to one’s data structure to depict subtle cause and effects/theoretical relations, should be made as visible as possible at this stage. Here, they go on to point out that the goal is to make one’s analysis as rigorous and transparent as possible that any reviewer can follow it without one being around to explain things. It is in this section that we not only present any “deep structure” (Chomsky, 1965) in the concepts, but also the “deep processes” (Gioia, Corley and Hamilton, 2013) in their interrelationships.

#### **4.7 VALIDITY AND RELIABILITY**

Construct validity, internal validity, external validity, and reliability are four tests that are commonly used are to assess a study (Yin, 1998). Yin argues that these tests should be applied throughout the case study process: during design, data collection, data analysis, and reporting. Following these will increase the quality of a case study tremendously and overcome traditional criticisms of the weakness of case study research (Yin, 1998). Table 4.1 on the next page, summarises 11 recommended tactics covering these four tests and also indicates how the research design for this case study responded and made provisions for these recommendations.

Table 4.1-Tactics to ensure validity and reliability (Yin, 1998; 2013)

TESTS	CASE STUDY TACTIC	RESEARCH PHASE IN WHICH THIS OCCURS	ACTIONS IN THIS RESEARCH
Construct validity	Use multiple sources of evidence	Data collection	<p><b><u>Concerning institutional bodies:</u></b> Use of interviews and information on the institution's website</p> <p><b><u>Concerning small businesses:</u></b> this does not occur as only interviews are used. Reasons for this is provided in chapter 3 (see section 3.5.2)</p>
	Establish a chain of evidence	Data collection	<p><b><u>Concerning institutional bodies:</u></b> Information given is triangulated against the information provided by small businesses.</p> <p><b><u>Concerning small businesses:</u></b></p> <ol style="list-style-type: none"> <li>1. The information they provide concerning institutional voids is triangulated against the information provided by the institutional bodies.</li> <li>2. Since the information on BMI provided by small businesses is retrospective, a chain of evidence could not be established on such information. Other reasons as to why triangulation was not achievable are presented in chapter 3 (see section 3.5.2).</li> </ol>
	Have key informants review draft case study report	Composition	All participants are contacted to verify and confirm the accuracy of the information they provided in the interviews.

Internal validity	Do pattern matching	Data analysis	Patterns are identified within and across cases (see Appendix H)
	Do explanation building	Data analysis	Correlational and latent links within the data are inferred and justified as per the data collected and presented in the data analysis chapter
	Do time series analysis	Data analysis	Not performed in this research as it is non-applicable
	Do logic models	Data analysis	Not performed- requires time-series data which is not applicable
External validity	Use rival theories within single cases	Data analysis	Individual cases are interpreted from several points of view before settling on a latent or semantic code that accurately captures the most valid interpretation
	Use replication logic in multiple-case studies	Research design	Multiple cases to be investigated using replication logic across the cases
Reliability	Use a case study protocol	Data collection	Same data collection procedure followed for each case; a consistent set of questions used in each interview
	Develop a case study database	Data collection	Interview transcripts, Memos and/or other notes and links to website information collected are entered into a database and analysed using Nvivo CAQDAS

## **CHAPTER 5: DATA COLLECTION**

### **5.1 OVERVIEW**

As will be apparent by now, the goal of the research is to investigate how small businesses ‘innovate’ their business model and how their context (i.e. institutional voids) influences them in doing so. In this chapter, the data collection methods used in this research will be explained.

### **5.2 OVERVIEW OF THE MAIN FIELDWORK**

Following the pilot study and insights that emerged from it, the data collection for the study was refined and improved for a thorough and meticulous second attempt at collecting data. In this section, the selection criteria, a brief description of the questionnaire and the participants’ summary sheet is presented. To increase the quality of the main empirical work and overcome some anticipated criticisms of the weaknesses in the data collection, the following tactics (Yin, 1998) were strictly adhered to (See chapter 3, under validity and reliability section).

1. To ensure construct validity, Yin (1998) suggests one uses multiple sources of evidence and establish a chain of evidence which is implemented in this study.
  - A. On using multiple sources of evidence, interviews from the small businesses and the selected institutional bodies concerning what both parties say on the institutional context of Ghana will be triangulated. With the institutional bodies, both of them had an online presence, and so additional data were also collected from these online sources to boost the interview data obtained from them. As for the small firms and what they had to tell the researcher about their business, not everything they said could be triangulated, especially with regards to their past. Nevertheless, where the firm had a website, a social media page or any other online presence, more data were captured from these sources to increase confidence in the data collected from them. It must, however, be added that with interviewees who gave no other data aside their interview to the researcher, the information they provided could not be triangulated.

The data that was captured consisted of interviews from the small businesses and institutional bodies, and website information, social media and other relevant online content. With the institutional bodies, there was more information available on them from various online sources, and so that helped the researcher in remaining confident

about what they had to say in the interview as some aspects of what they had to say could be verified. Also, these other pieces of information available allowed the researcher to understand the institutional bodies better, which was very useful in fine-tuning the questions they were to be asked. In the findings, this proved helpful as data from the interview with the institutional bodies and online information about them helped in interpreting some insights from the small businesses which would have remained ambiguous in the absence of such diverse data.

As mentioned earlier in this section, the nature of the context and the research participants being studied rendered triangulating data from the small businesses a practical impossibility. However, because the interview took place on the premises of the small businesses after they had given the researcher a brief tour of their business, certain things they spoke about could be observed or inferred with confidence which increased the veracity of the interview data captured. Also, most of the small businesses had an online presence of some sort which allowed the interview data to be cross-checked to some extent or at least enable the researcher to probe further in gaining more clarity about the interview data. So, regarding what the small businesses said about themselves, actions were taken to increase the reliability and validity of the data in the absence of having diverse data that allowed complete triangulation. Concerning what the small businesses said about the institutional voids, the data from the institutional bodies were there to triangulate what they had to say. In concluding on the findings of the study, these steps proved useful as they increased the confidence in the conclusions drawn from the data collected.

One may argue that the data collection in this study is weak due to the triangulation challenges discussed, thus rendering the data collected unreliable. However, the author of this work will rebuttal such attacks and argue that the problem is not with the research methods. Instead, the problem is with the nature of the context and small businesses. A thorn in the flesh for small business researchers has been the limited amounts of data in small firms or the lack thereof. The small businesses studied did not have excellent business records that will satisfy the rigorous standards of academic research. Finance-related records, in particular, were intentionally avoided by most of the participants as a topic of inquiry and this was commonplace particularly in the small businesses where the owner-manager was directly involved in the day-to-day running of the business. So,

the inability of the researcher to triangulate some aspects of information the small business provided should be viewed not as a weakness or as a sign of improper and lazy research. Instead, it should be viewed as some of the idiosyncrasies of researching on small businesses in Ghana.

- B. Concerning establishing a chain of evidence, information on the institutional context can be triangulated using the information both the small firms and the institutional bodies provide. The multiple sources of evidence established in 1A above (see 5.20) are pieced together where necessary to establish a chain of evidence to support any analysis.

- 2. To ensure reliability, Yin (1998) suggests one uses a case study protocol and develop a case study database:

- A. Concerning the case study protocol, the same data collection procedure is followed for each case, and in all the interviews, a consistent set of initial questions is used.
- B. Concerning having a case study database, all the interview transcripts, memos and/or other notes and additional information collected from the empirical work are entered into a database (on Nvivo CAQDAS).

### ***5.2.1 Selection criteria***

Two groups of participants are used in the main empirical work; institutional bodies responsible for SME operations in Ghana and small businesses in Ghana. The selection criteria for the institutional bodies was that they should be directly involved in regulating the SMEs sector in the country and must be a governmental agency. Thus, the NBSSI and MOTIs SME department are selected as they are governmental arms responsible for regulating the SME sector in Ghana. The 14 small businesses are chosen for the main empirical work using the following criteria:

#### ***5.2.1.1 Size & type of establishment***

- A. For the establishment to qualify as a small business, they must have a minimum of 5 and a maximum of 29 full-time staff.
- B. The firm must be a for-profit firm as opposed to a non-profit organisation.

#### *5.2.1.2 Legal status*

- A. The firm must be legally independent and not a subsidiary of a larger organisation.
- B. The firm must be registered with the Ghana registrar of companies

#### *5.2.1.3 Age*

- A. The firm must have been in business for at least two years to qualify as an existing business, as opposed to a start-up.

### **5.2.2 Interviews**

The interview data from the empirical work was collected using a semi-structured interview for both the small firms and institutional bodies. A copy of both interview questionnaires can be found in appendices D and E, whereas appendices F and G contains the interview transcripts with the two groups. The questionnaire for small firms is structured in four sections to investigate how small firms do business at present, how they did business in the past, how they have changed their ways of doing business, their view on their institutional context, and how the institutional context has influenced the way they have made changes to their business model. The questionnaire for interviewing the institutional bodies is aimed at gathering the institutional bodies' view about the kind of the institutional context Ghanaian SMEs operate in. The two groups that make up the sample are the 14 SMEs, and the two institutional bodies and a detailed description of these two groups are provided in the following section.

## **5.3 DESCRIPTION OF THE SAMPLE**

Although the main participants for the study are the small businesses, to provide an institutional context, the researcher also spoke to two institutional bodies; i.e. NBSSI and MOTI.

### **5.3.1 Overview of participant institutional bodies**

MOTI is the Ghana government's ministry responsible for monitoring and implementing the government's private sector development programmes and activities, but MOTI has a specialized agency—NBSSI—that is responsible for the country's SME sector. So, the interview with MOTI supported the interview with NBSSI and helped throw light on the interview conducted with NBSSI.



MOTI is the lead policy advisor to the government on trade, industrial and private sector development with the responsibility of formulating and implementing policies for the promotion, growth, and development of domestic and international trade and industry. The ministry is also the advocate for the private sector within government and is the principal agency responsible for monitoring and implementing the government's private sector development programmes and activities. The objective of the ministry is to ensure effective trade and industrial development for national development. MOTI is aided in its work by the several agencies, one of which is NBSSI, which is the leading institutional body that supplied the data on the institutional context for this study. MOTI has several responsibilities, but the ones that made them a relevant participant for this research is the fact that they are responsible for facilitating enterprise development for Micro, Small and Medium Enterprise (MSMEs).

MOTI has an SME section, and this outfit was contacted for this research. They, in turn, redirected the researcher to NBSSI after the research content and the information sought after was explained. MOTI could not serve as a primary interview participant for this study as the NBSSI, which is a separate agency under MOTI, handles the affairs of SMEs directly. However, ruling them out was not prudent as they had some valuable insights to share with the researcher. These insights will later contribute to the researcher's understanding of the institutional context of Ghana and the type of SMEs on the radar of the institutional bodies. These were valuable additions to the research. The interview questionnaire for institutional bodies was used in interviewing MOTI, but all questions relating to the institutional context of SMEs were intentionally left unanswered as according to MOTI, the NBSSI is better placed to answer them.

The interviewee from MOTI was one of their lead researchers in their SME section. As a lead researcher, the interviewee undertakes research and writes white papers on Ghanaian SMEs on behalf of MOTI. The interview lasted for 1 hour 30 minutes with a focus on the following areas of the interview questionnaire: how the practical utility of the research data can be maximized; where archival evidence and documents can be found on the ministry's website to support data analysis; and general remarks on what or where the research should focus on to enhance its practical utility for policymakers.

From the MOTI interviewee, the key theme that emerged was distinguishing between the formal and informal SMEs, as evidenced in the quote below:

*“Your research concerns itself with SMEs, but the type of SMEs the work is looking at is not apparent. There exists formal and informal SMEs... Formalized SMEs are the ones that are registered with the Registrar of companies, Ghana. These SMEs are the ones in the books of the government, and thus their operations are documented, they pay taxes, their operations are visible to the government etc. Making this distinction is crucial as all the information you will usually find in the ministries are information on the formalised SMEs. MOTI records only capture information of formalised SMEs only, and this must be borne in mind.... Whether it is made explicit or not all the information MOTI will give is about formalised SMEs and passing such information off as if they pertain to all SMEs in the country will be misleading” ~ (Lead Researcher, MOTI SME section)*

Following the MOTI interview was the interview with NBSSI. NBSSI was established by an Act of the Parliament of the Third Republic of Ghana (Act 434 of 1981) and operationalised in 1985 as an apex body for the development of small-scale industries in Ghana. To create a single, dynamic and integrated organisation adequately capitalised and capable of responding to the needs of small-scale enterprises sector, the government merged the Ghanaian Enterprises Development Commission (GEDC) and the Cottage Industries Division of the Department of Rural Housing and Cottage Industries (DRHCI) with the Board in 1994. The NBSSI have business advisors in 173 districts and 10 Secretariats (1 per region at the time of writing) across the country with the head office located in Accra, the nation’s capital.

At the NBSSI, the director of entrepreneurship development for NBSSI was the interviewee as she has the mandate to communicate with external researchers who seek information from NBSSI. According to her the goal of NBSSI, which she paraphrased from their official website, is to strengthen SMEs, put in place the right structures for SMEs development and to create an enabling environment for SMEs through various support systems. The interview questionnaire for institutional bodies was used for this interview, and the interview lasted for 2 hours and 10 minutes. Additional data to augment the data collected from this interview was found on the NBSSI’s website (i.e. <http://nbssi.gov.gh/>) which the researcher was directed to.

After the interview with NBSSI’s Director of Entrepreneurship development, the researcher also spoke to the Executive Director of NBSSI about the research who also added more valuable insights to the research. The information from this informal conversation was practically useful and did contribute to the researcher’s understanding of the information

received from both NBSSI and MOTI, as well as the institutional context being researched on. The executive director had lived and worked in the USA for some years before moving to Ghana. So, she discussed with the researcher the differences between the institutional environments of developing and developed countries—juxtaposing USA and Ghana—and how the developing countries can catch up with the relatively well-functioning institutions in the developed countries. One critical insight the executive director offered was about how the institutional voids in Ghana contribute to SMEs operating informally or preferring to operate thus. This observation from her was useful because in the pilot study informality in the SMEs operations and the reluctance of SMEs to formalise even when they were capable of doing so emerged as a key finding. This convinced the researcher to pay more attention to informality in the interview and even review some literature on informality in SMEs. To sum up this subsection, the main points gained from speaking with MOTI and NBSSI are as follows:

1. Distinguishing registered SMEs from unregistered SMEs
2. Institutions struggling to solve SMEs problems
3. Informality in SMEs and Institutional voids contributing to informality in SMEs
4. The pervasiveness of institutional voids

An overview of the participant institutional bodies is given in table 5.1 below.

Table 5.1-Participant institutional body summary sheet

<b>SUPPORTING PARTICIPANT</b>	
<p><b><i>Name of Institution:</i></b> Ministry of Trade and Industry (MOTI), SME section.</p> <p><b><i>Jurisdiction:</i></b> The ministry responsible for monitoring and implementing the Government's private sector development programmes and activities.</p>	<p><b><i>Role of interviewee:</i></b> Lead Researcher</p> <p><b><i>Duration of the interview:</i></b> 1 hour 30 minutes</p>
<b>KEY PARTICIPANT</b>	

<p><b>Name of Institution:</b> National Board for Small Scale Industries (NBSSI)</p> <p><b>Jurisdiction:</b> Agency under MOTI Ghana body for the development of small-scale industries in Ghana</p> <p><b>Geographical location:</b> Nationwide (via business advisory centres in 173 districts with head office in the Accra-capital city)</p>	<p><b>Role of interviewee:</b> Director of Entrepreneurship development</p> <p><b>Duration of the interview:</b> 2 hours 10 minutes</p>
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### 5.3.2 Overview of participant SMEs

An overview of the SMEs and the interviewees from each firm is provided in Appendix I to give a birds-eye view of all the SMEs participants, but this sub-section will provide more details about each company and the interviewee from that company so as to help contextualise the data collected. The companies in the sample were all registered with the registrar of companies and therefore would count as formal SMEs as per MOTI's definition. However, practically speaking, although all the SMEs may be deemed formal, records kept about them by the Registrar of companies may not necessarily reflect the real state of their affairs. For instance, Participant 1 is registered as a sole proprietor because the owner-manager started as one. However, the business now has grown over the years too, and it now has 8 full-time staff in its books, but it still is legally registered as a sole proprietorship. Also, all the SMEs talked about how they are formal SMEs as per MOTI's definition, but the researcher had some doubts about participant 10. The owner-manager of participant 10 asserted the business is formal, but the history he gave about how the business started, the life span of the business and how it currently operates gave the researcher enough grounds to doubt the business being formal, at least as per MOTI's definition. The other 12 participants attested to their being formal SMEs, and there were sufficient reasons (e.g. certificate of incorporation, tax or internal revenue receipt) to trust their account.

Only 3 out of the 14 SMEs are legally registered as sole proprietors while all the others are registered as limited liability companies. Five of the SMEs are service providers (i.e. Businesses A, C, D, E & I); 5 sell products (i.e. Businesses B, G, H, K, & N); and 4 have an integrated value proposition, meaning they sell both services and products (i.e. Businesses F, J, L & M). Concerning employees, only 1 of the SMEs had part-time staff. The rest either had

no part-time staff or they employed seasonal staff. Of the 14 participants, 3 SMEs use seasonal staff aside their full-time staff, and this is due to the cyclical nature of demand in their industry. Two out of the 3 of the SMEs, for instance, are agribusinesses, which is a seasonal industry whereas the other 1 out of the 3 renders a service that its customers can only consume seasonally. The average full-time staff headcount in the service firms is 14, in the product firms, it is 16 while in the integrated firms (i.e. those selling both products and services) it is 13. With value of fixed assets as at 2018, the average in service firms is GHS 251,250 (GBP 41,875), the average in product firms is GHS 4,546,250 (GBP 757,708) while the average in integrated firms is GHS 1,675,000 (GBP 279,167). Considering that the service firms will have more intangible assets (e.g. intellectual capital), it is understandable that the average value of their fixed assets is relatively lower compared to the others.

The SMEs are presented in order of how they were interviewed during data collection, but a way to categorise them is that 10 of the SMEs are located in the capital and largest city in Ghana whereas the other 4 are located elsewhere in other regions.

#### *5.3.2.1 BUSINESS A*

**About the company:** The owner-manager started business A after he graduated from tertiary education and could not find any employment. The business started with the owner-manager and 1 employee only, and it has grown over 6 years to take on 8 full-time salaried staff aside from the owner-manager. Business A offers pest control services for business and residential clients in Accra and Cape Coast and depending on contract size, and Business A has 3-5 seasonal staff who occasionally come in to assist the workload when the company gets big contracts. The business is registered as a sole proprietorship, and it is legally independent and wholly owned by the owner-manager—also the founder. The owner-manager works in the business on a day to day basis and his roles are not specialised to any one aspect of the business. He manages the business single-handedly with a senior employee who takes over when the owner-manager has to be away from the business. The business is in the southern part of Ghana with one branch in the nation's capital and the other in one of Ghana's historic cities, Cape Coast. The business owns its premises which serve as an office space, mini-showroom and a storeroom/warehouse for keeping stock and equipment. The business operations are predominantly human resources driven and thus have minimal fixed assets according to its industry standards.

**About the interviewee (Chief Decision maker or Owner-manager):** The owner-manager of Business A is a male in his early 30's educated to the tertiary level. He started the business and has grown it himself and still prefers to be involved in all aspects of the business on a day to day basis. Below is a quote from the interview with him to give an idea of what he may be like:

*“The difference between me and some is the fact that I believe in investing in the employees. So, this investment comes in the form of educating them and investing in more equipment that is eco-friendly. Everything I get I put back into the business and most of this goes into empowering and upgrading the technical aspects of my employees” ~ (Owner-manager, Business A)*

#### 5.3.2.2 BUSINESS B

**About the company:** Business B is a business owned and managed by an entrepreneur who after operating as a roaming shoe cobbler for several years ventured into making shoes. The owner-manager is heavily involved in the entire operations of the business as the business is heavily dependent on his leadership, experience, and knowledge. Its operations are mechanised far more than the average Ghanaian shoemaking business as it can boast of having a production set up that is less reliant on human resources than is the industry norm in Ghana. The business boasts of its workshop for manufacturing and designing its shoes and a separate showroom where they are sold. The business is registered as a limited liability company with 8 full-time employees, including the owner-manager. The business operates in the fashion market and has three products, all aimed at men, namely: shoes, belts, and slippers.

**About the interviewee (Chief Decision maker or Owner-manager):** The owner-manager of Business B is a male in his mid to late 30's with little formal education. From being a roaming shoe cobbler to owning a shoe brand, a workshop and a showroom are some significant business milestones that this interviewee has achieved in his business. He gets involved in every stage in their value chain from the design to the selling of the shoes. He attributes his success to determination and hard work, and these he asserts are values he always tries to instil in all his employees. The following quote from him will illustrate that:

*“You need a strong sense of direction to be able to do it, and only those with insight can do this. I aimed to have my shop, create my own products and not remain a mere shoe cobbler. I have this belief that if you want to do it, do it well. If not, do not at all. And, that is what has brought me this far. My past and where I am coming from*

*differentiates me from others. When people hear my story, they want to come and see my shop and even try my products... So, all this differentiates my business from others. The fact that I started as a shoe cobbler and I am here today with my own showroom and my own production facility” ~ (Owner-manager, Business B).*

#### 5.3.2.3 BUSINESS C

**About the company:** Business C is a B-2-B marketing and advertising agency located in Ghana’s capital city. On its website, the company describes itself as not being the traditional agency, but instead, they are a group of creatives guided by strategists. The business operates in the advertisement and marketing services market by providing professional marketing and advertisement services. Business C is registered as a limited liability company with 15 employees. Full-time employees are 12 out of the 15, while 3 are national service personnel—akin to seasonal staff. Business C usually employ national service personnel to work with them up to a year and either retain them or not depending on the demands of the businesses.

**About the interviewee (Chief Decision maker or Owner-manager):** The owner-manager and managing director of Business C who is also the founder of the company is a male aged between his late 30’s and early 40’s as at the time of the interview. He started the business when he was in his late 20’s after working in the advertising industry for some years; 5 years approximately. He started the business alone and over time has grown it to its current size, and he still heads the business. The quote below capture some of his views on the industry his firm finds itself in:

*“Most people like I mentioned earlier are now setting up marketing and advertisement agencies because technological advancements have made that easy. Digitalisation and improvements in technology have taken power from production houses and media houses too. Now, anybody (individual or business) can get up, bypass the production houses and produce their own media content, then proceed to bypass the media houses and publish their content for little cost or even free (via YouTube and the like). Half of the budget of clients that used to go to traditional houses now goes into digital outlets”  
~ (Owner-manager/Managing Director, Business C)*

#### 5.3.2.4 BUSINESS D

**About the company:** Business D is a communication and events management company managed by graduates from diverse business backgrounds; the founder, who is also the owner-

manager and a small-sized management team. Established in 2009 in Accra, Business D is currently a member of Ghana Chamber of Commerce and Industry and affiliated to the Advertising Association of Ghana. The company, when it started focused on events organising, but it has grown to include diverse enterprises, including shoe retail and equipment rental. The primary market of the company is the events management market, and its main line of the business entails events management services, but the company has subsidiaries that are into shoe retail, tracking device supply and rental of public address systems. The company has 12 full-time employees led by the owner-manager and the management team.

**About the interviewee (Chief Decision maker or Owner-manager):** The owner-manager is a male in his late 30's with a university degree. The owner-manager stressed on how he started the business along with a secretary in a little corner and grew it over time to its current size through sheer resilience. The following is a quote from him illuminate to this point:

*“So, when you ask me of a model I do not follow these scientific models and all that—I must be honest with you if that is what this research is looking for—because I enter into something and I move; I do not plan, let me just let you know. I do not plan. When I say I do not plan, it does not mean I do not really plan for anything, but the point is that I move to get things done”. ~ (Owner-manager, Business D)*

#### 5.3.2.5 BUSINESS E

**About the company:** Business E is a food safety consultancy business in Accra. Individuals with specialist knowledge in food safety make up the firm and novices that are employed are trained to integrate in a way that supports the business to function. A key factor in this firm's operations is the strategic alliance it has with XXXX, a Netherland based laboratory with whom business E works with on most of their projects to be able to deliver sophisticated services most small-sized food safety consultancy firms in Ghana may not be able to deliver. The company provides food safety training and consultation services to firms involved in food production. The company, through their NGO arm, also provides mentoring advice and provide technical training to SMEs in agribusiness to tailor their outputs into their brand of processed foods. The business is registered as a limited liability company with 16 full-time employees, including the owner-manager.



**About the interviewee (Chief Decision maker or Owner-manager):** The founder and owner-manager of Business E is a female food scientist in her 30's with years of experience in the food safety industry. She founded the company as a sole proprietor working alone and has grown the business to its current form. The company was started after she had worked for several years in Ghana for several regulatory agencies and also provided food quality consulting services for several firms. It was afterwards that she decided to go into business for herself.

*“...I train people, and I allow them to even compete with me. As I said, the call of the company was not to come and make money although it is a consultancy and so a business and so money has to be in it, but the core aim was to solve the problem of companies selling fake products on the market. ...We are an independent company. This is a sole proprietorship, and the company is a company that started from day one and already had international collaborators and even local collaborators. However, still, we needed to grow gradually, so we have our plans as to who and what institutions we want to collaborate with. So as and when we grow, we just input our activities and our resources into our current status and then we upgrade to the next level to be able to collaborate with which institution that is feasible for that moment. Because we do not want institutions to take over and tell us what to do.” ~ (Owner-manager, Business E)*

#### 5.3.2.6 BUSINESS F

**About the company:** Business F is a limited liability company started over ten years ago by the company's current CEO. The CEO started the company alone as a sole trader and has now grown into a company with 15 full-time employees. The founder of the company is still actively involved in the company but runs the company side by side with his son. The founder and CEO and sits at the apex of the firm's organisational structure. Advising him are the managing director (founder's son) and internal consultant. These 3 (i.e. CEO, managing director, and internal consultant) make up the senior management team that leads the Business F. The company sells mining chemicals and technical support services to mining companies operating in Ghana and some West African countries. Business F is well resourced compared to the average small business of the same size in the same industry, and thus, their facilities are worth highlighting. The company is based in the Western Region of Ghana where it has its premises with ten office units, a common room for staff, a metallurgy laboratory and two warehouses

(i.e. 1000-meter square and 500-meter square in size). They have a company van for the workers, 3 private vehicles for top management, a truck for delivery and 2 forklifts. The company can also boast of an incinerator, chemical manufacturing plant and cyanide waste disposal machine.

**About the interviewee (Chief Decision maker or Owner-manager):** The interviewee for Business F is the managing director and son of the founder and CEO. The managing director is an environmental scientist in his mid-30's educated to the tertiary level, and he is involved in the day-to-day running of the business. In the following quote, he gives a glimpse into the company's past:

*"In 2012 we were renting someone else's facility. We did not have our warehouse, our blending [manufacturing] plant, incinerator, etc. We were renting someone else's warehouse and paying at the end of the month. Then, we had a few customers, but now our customer base has grown about 50%. We have won over many customers over time. When we rented facilities [warehouse], the owner of the facility was hindering our operations greatly." ~ (Managing Director, Business F)*

#### 5.3.2.7 BUSINESS G

**About the company:** Business G is an Accra-based limited liability company with a vision to transform how Africans and the world use charcoal. The company has come up with an innovative way to produce its main product, charcoal from organic coconut debris. This environmentally friendly way sets the company apart as one of the few environmentally friendly businesses in Ghana in its industry. The business operates in the charcoal manufacturing market, where it serves both business and individual customers. The business was started as a two-person business and has now grown into an 11-man business led by the owner-manager. From a manpower-based production, the business has now mechanised several aspects of their production and can produce more and thus sell in large commercial quantities. The company operates from a site which houses a production plant and a storage space where they deliver from to its customers.

**About the interviewee (Chief Decision maker or Owner-manager):** Business G was started by a university graduate in his mid-late 20's after he graduated from his master's degree and found no employment. As the story goes, he came across some local women using coconut husk to start a fire one day, and he decided to try that at home. Upon trying it, he realised that

the fire from the coconut husk was smokeless, which made him more curious to research more on it. He persisted until he came to realise that organic coconut debris can be carbonated to turn into charcoal which can then replace the wood-based charcoal that is ubiquitous across Ghana, as it possessed several benefits over it. He went on to start the business with a neighbour. They will gather coconut waste and carbonise it to sell to the local women, and as he was unemployed at the time, he dedicated all his time to this new business and decided to make it his full-time work. Four years later, and he now leads an 11-man business, a significant milestone in his entrepreneurial journey. His vision is to convince the whole of Ghana to move away from tree-based charcoal as it is one of the leading sources of deforestation in Ghana according to him.

*“I lead the business and see it to it that everything that needs to be done is being done. I started this business when I could not find any job after university, and at that time, it was just me and my friend doing it with little to no money coming from it. Yet we carried on and tried our best, and the business is where it is now. So, I do not have a particular role I play because I need to be everywhere and make sure everybody is doing the right thing and doing it the way I would have done it if they were not here” ~ (Owner-manager, Business G)*

#### 5.3.2.8 BUSINESS H

**About the company:** Business H is a Cape Coast-based business that sells second-hand car spare parts. The business is registered as a sole proprietorship but has 11 full-time employees, including the owner-manager. Like many other car parts retailers in the country, the business operations of the firm are mainly informal with no clearly defined roles or descriptions, but a hierarchy is maintained where the longer the employee has been with the firm, the more superior their rank in the business hierarchy. The owner-manager leads and manages the business and remains the sole decision-maker in the firm. The firm also is into commercial transport on a relatively small scale to diversify its product portfolio.

**About the interviewee (Chief Decision maker or Owner-manager):** The owner-manager is a male in his late 40s. He started as an apprentice welder, and then later went into selling second-hand car spare parts. He did this for a while till he grew in capacity and so started wholesaling and importing more spare parts on his own which were major business milestones considering that he started as a sole trader. Below is a quote that gives an insight into the past of Business H.

*“I started as a welder, did it for a while and then realised that I would not be able to do it and get to where I wanted to in life... I did this for a long time till it got to a point where I decided to see some of the importers of these car spare parts and then arranged with the person that upon importation we would buy the portion of his imported goods that we need... How I operate today has not changed much from the past. What has indeed changed is the capacity with which I operate. The overall capital in the business has increased. I buy second-hand car spare parts in bulk and retail it. I do buy from importers, but now that my capacity has increased sometimes I buy some, not in large quantities though, from abroad and ship it to Ghana to sell.” ~ (owner-manager, Business H)*

#### 5.3.2.9 BUSINESS I

**About the company:** Business I is a business facilitation firm that assists investors, businesses and governmental bodies in finding the right business partners across Africa. Business I operates mainly in the investment brokerage market and marginally in both the events organising and professional education markets. The services the company delivers are investment brokerage, business facilitation services and professional courses on investment analysis. Business I have 8 employees, including the owner-manager who leads and manages the business supported by 2 other key staff that functions assistant managers.

**About the interviewee (Chief Decision maker or Owner-manager):** The interviewee who is the owner-manager is a male university graduate in his 30's. His vision is to aid organisations access business opportunities that they have the potential for but are unable to access.

*“We started by focusing on what we wanted to do. The training services, capital raising services, market access services. Ok? So, we started with the training, ok, we faced some challenges so needed to make some changes... Then the challenges that we were facing made us change our strategy and then partner with the XXXX. So that is what we are doing now, running the programme with XXXX. So, the course we started with was marketing, HR, personal development, finance, and investment. But now we are focused on the investment analyst programmes due to our partnership with XXXX, and that is what we are on now”. ~ (Owner-manager, Business I)*

#### 5.3.2.10 BUSINESS J

**About the company:** Business J is a farming business that is primarily into fish farming but also renders services such as fish breeding, farming, and vegetable production. The farm is located on a 3.5-acre farmland in the Ashanti Region. The business which has been in operations for over 9 years and is managed by the owner-manager who has 5 full-time employees and 5-10 seasonal staff. They produce catfish and tilapia to both business and household customers.

**About the interviewee (Chief Decision maker or Owner-manager):** The owner-manager is a male in his mid-late 30's. He is a graduate who worked for other farms before he ended up starting his fish farm. The following quote gives a glimpse into the owner-manager's journey:

*"You see when I was young, I was having the interest in a farm in general so in fact, I attended the college of electrical engineering, and after school, I began to do small small research on fish. So, the interest was there since childhood, so I looked for somebody who was having the practical knowledge then I worked for him, I served him, and he taught me the things I needed to know in order to do the hatchery business. So, after the training, I decided to set up my own hatchery, and then later, I started the farm alongside". ~ (Owner-manager, Business J)*

#### 5.3.2.11 BUSINESS K

**About the company:** Business K is a food business selling yam chips and chicken with pepper sauce and its run by a husband and wife. The business was initially started by the wife, and eventually, the husband joined in the management. Business K takes a local recipe, puts it in an attractive package and sell it in a motorised tricycle contrary to the norm of selling it in black poly bags by market women and roadside vendors. The food itself is a local delicacy of Ghanaians, and so it is not new. What is new is the way it is packaged in a branded take away box for customers compared to the traditional way of selling it in plastic bags. Business K prepares their meals in bulk in a central kitchen then sell them in their mobile kiosks. The company has 22 full-time employees, including the owner-manager.

**About the interviewee (Chief Decision maker or Owner-manager):** The interviewee for Business K was a female in her late 30's to early 40's. Her background is in the food industry, and so her knowledge and expertise serve as a driving force behind the operations of the company. The quote below gives an idea about how the business operates:

*“My background is home economics. I specialised in food and nutrition at the University of Cape Coast (UCC). Secondary school I did home economics, UCC I did home economics, and I have worked in hotels as well, so I am more of a food person. My husband is more on the administrative side because he did HR. I am involved in the actual operations, the food, how it is made, how it tastes, how the taste is maintained, how new staff can adapt into the cooking style and things like that. I need to ensure that the food comes out perfect every time and when it is being sold in our mobile vans, and it is prepared as I asked them to via supervision and directing. If all this is happening, I can sit back and let my husband coordinate the other stuff, like people, paperwork, meetings etc. I concentrate on what we have to do and make the business succeed, and then he will coordinate affairs because that is where he is good at and I am not. So, we complement each other” ~ (Owner-manager/founder, Business K)*

#### 5.3.2.12 BUSINESS L

**About the company:** Business L is a fashion design house with a fashion design school. The business was started by a seamstress who after being a sole trader for several years grew to have several trainees under her and so formed a company out of it. The business has now grown into a fashion design house and a design school with accreditation from the National Accreditation Board in Ghana with accreditation to provide Vocational and Technical Education programmes in fashion. The company has its premises for sewing, another for their lectures. The company is without an organisational structure as all direction proceeds from the Managing Director. However, regardless of that, the operation of the business is formal, especially with the educational side of their business, which is set up with a head tutor and specialist tutors. The founder is involved with the educational side of the business, which is informal, leaving the formal side of the business to her husband, the managing director. Business L has 19 full-time employees and is based in Accra.

**About the interviewee (Chief Decision maker or Owner-manager):** The interviewee is a male in his 50's. He is the husband of the founder, and so has significant power as a chief decision-maker in the business. He functions as the managing director of the company while the wife (i.e. founder), heads the product creation and design as well as the education side of their business.

*“I am the director. I am one of the directors, and I am in charge of the strategic innovation and also building of the company in terms of its growth. So that is the area. With the competency area, that is the training area my wife oversees it. She has the area of the skills and competency. And also because of my education, sometimes I also step out to teach some of the courses if maybe some of the facilitators are absent. With the areas that I can help I help.” ~ (Managing Director, Business L)*

#### 5.3.2.13 BUSINESS M

**About the company:** Business M was started by a group of graduates after their MBA together in one of Ghana’s best private universities. Organised as a limited liability company incorporated in Accra in 2007, Business M is a software development house that operates mainly in the financial technology market. Business M builds technology solutions that enable financial institutions and businesses to deliver better experiences for their customers. The company is very formalised with well-defined organisation structure. It is one of those small businesses that is run like a mini corporation because its business operations are highly structured and organised with clearly defined job roles. The business has 28 full-time employees and 10-16 seasonal staff.

**About the interviewee (Chief Decision maker or Owner-manager):** The interviewee for this interview is a male graduate in his late 30’s to early 40’s. He is one of the co-founders and CEO and has been the leader of the business since he and his friends started it. In the quote below, he reveals his awareness of the industry competition.

*“You know there is a lot of competition these days in the fintech industry, so you need the best in sale in order to win businesses. Also, our products are innovative and very simple to use even by the layman. Another thing I think is because our products integrate across several platforms and that is rarer. Most competitors are now catching up on that whereas we have been doing it for a long time”. ~ (CEO/Co-founder, Business M)*

#### 5.3.2.14 BUSINESS N

**About the company:** Business N is an agribusiness that has been in existence for 12 years and is based in the northern part of Ghana. The company have their head office in Tamale in the

Northern Region but have three more branches in other parts of the country. The company's key objective is to provide a market for smallholder farmers. So, they aggregate the smaller volumes of the smallholder farmers and sell it in wholesale quantities to commodity traders and food processing firms. Rice, maize, soya bean, and groundnut are the main products the firm deals in. The business is organised with formal organisational structures, clear job roles, and job descriptions. Although most parts of their operations have been mechanised, the company relies extensively on humans in the form of casual staff. The business has only 27 full-time staff on its payroll but can employ the services of 40-100 seasonal and casual workers depending on the needs of the business.

**About the interviewee (Chief Decision maker or Owner-manager):** The interviewee for this interview is a male graduate in his 40's with two master's degree in agricultural studies. He started the business as a sole proprietor and grew it to where it is now.

*"I am the CEO, so I oversee everything. I do not limit myself to one aspect of the business I do a bit of almost everything to see the business runs successfully... In terms of operations, I have two guys under me who are in charge of operations (operations manager and assistant), and I have another ten guys who are all supervisors and then the rest are technical officers on the field who have a background in extension services. And under the ten, we have field officers under them who supervise 2-3 front line staff".*  
~ (Owner-manager, Business N)



A snapshot of the participant small businesses is given in table 5.2 below.

Table 5.2-Participant SME summary sheet

<b>BUSINESS A</b>	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 3</p> <p><b>International Standard Industrial Classification (ISIC):</b> 8129</p> <p><b>Product(s) and/or service(s):</b> Pesticides, and pest control services</p> <p><b>Ownership:</b> Sole proprietorship</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 100-130</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 17-22</p> <p><b>Full-time staff:</b> 9</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 3-5</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 31-35</p> <p><b>Educational level:</b> Graduate</p> <p><b>Duration of the interview:</b> 2 hours 14 minutes</p>
<b>BUSINESS B</b>	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> None (1 Showroom and Assembling workshop)</p> <p><b>International Standard Industrial Classification (ISIC):</b> 1410</p> <p><b>Product(s) and/or service(s):</b> Shoes, Belts, slippers</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> Not disclosed</p> <p><b>Approx. value of fixed assets (GBP '000):</b> Not disclosed</p> <p><b>Full-time staff:</b> 8</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 31-35</p> <p><b>Educational level:</b> Basic</p> <p><b>Duration of the interview:</b> 1 hour 52 minutes</p>

BUSINESS C	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 0 <b>Gender:</b> Male</p> <p><b>International Standard Industrial Age:</b> 36-40</p> <p><b>Classification (ISIC):</b> 7310 <b>Educational level:</b> Graduate</p> <p><b>Product(s) and/or service(s):</b> Professional Advertisement services minutes</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 60-100</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 10-16.7</p> <p><b>Full-time staff:</b> 12</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 3</p>	<p><b>Respondent role:</b> Managing Director</p> <p><b>Duration of the interview:</b> 1 hour 20</p>
BUSINESS D	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 4 (3 retail shoe outlets, Tracking device firm)</p> <p><b>International Standard Industrial Classification (ISIC):</b> 8230, 1811</p> <p><b>Product(s) and/or service(s):</b> Events planning, printing, advertising, organising services</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> Not disclosed</p> <p><b>Approx. value of fixed assets (GBP '000):</b> Not disclosed</p> <p><b>Full-time staff:</b> 12</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 31-35</p> <p><b>Educational level:</b> Graduate</p> <p><b>Duration of the interview:</b> 41 minutes</p>

BUSINESS E	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 0 <b>Gender:</b> Female</p> <p><b>International Standard Industrial Age:</b> 31-35</p> <p><b>Classification (ISIC):</b> 7490 <b>Educational level:</b> Post-graduate</p> <p><b>Product(s) and/or service(s):</b> Food safety and consulting minutes</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 10</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 1.7</p> <p><b>Full-time staff:</b> 16</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Duration of the interview:</b> 1 hour 40</p>
BUSINESS F	
<p><b>Location:</b> Tarkwa, Western region</p> <p><b>Branches (if any):</b> None</p> <p><b>International Standard Industrial Classification (ISIC):</b> 0990</p> <p><b>Product(s) and/or service(s):</b> Mining Chemicals and Technical services</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 4,000-5,000</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 650-750</p> <p><b>Full-time staff:</b> 15</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Managing director</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 31-35</p> <p><b>Educational level:</b> Graduate</p> <p><b>Duration of the interview:</b> 1 hour</p>

BUSINESS G	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 0</p> <p><b>International Standard Industrial Classification (ISIC):</b> 2011</p> <p><b>Product(s) and/or service(s):</b> Charcoal</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 20</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 3.3</p> <p><b>Full-time staff:</b> 11</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 26-30</p> <p><b>Educational level:</b> Post-graduate</p> <p><b>Duration of the interview:</b> 45 minutes</p>
BUSINESS H	
<p><b>Location:</b> Cape Coast, Central region</p> <p><b>Branches (if any):</b> 0</p> <p><b>International Standard Industrial Classification (ISIC):</b> 4530</p> <p><b>Product(s) and/or service(s):</b> Car spare parts/Second-hand car parts</p> <p><b>Ownership:</b> Sole proprietorship</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 120-150</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 20-25</p> <p><b>Full-time staff:</b> 12</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 51-55</p> <p><b>Educational level:</b> Secondary</p> <p><b>Duration of the interview:</b> 50 minutes</p>

BUSINESS I	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 0</p> <p><b>International Standard Industrial Classification (ISIC):</b> 7490, 8549</p> <p><b>Product(s) and/or service(s):</b> Investment brokering, Business facilitation, Market research, business facilitation</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 800</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 133</p> <p><b>Full-time staff:</b> 8</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 26-30</p> <p><b>Educational level:</b> Graduate</p> <p><b>Duration of the interview:</b> 1 hour 10 minutes</p>
BUSINESS J	
<p><b>Location:</b> Offinso, Ashanti region</p> <p><b>Branches (if any):</b> 0</p> <p><b>International Standard Industrial Classification (ISIC):</b> 0322</p> <p><b>Product(s) and/or service(s):</b> Fingerlings, Catfish</p> <p><b>Ownership:</b> Sole proprietorship</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 300-500</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 50-83.3</p> <p><b>Full-time staff:</b> 5</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 5-10</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 31-35</p> <p><b>Educational level:</b> Graduate</p> <p><b>Duration of the interview:</b> 1 hour 52 minutes</p>

BUSINESS K	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 3 (Mobile shops)</p> <p><b>International Standard Industrial Classification (ISIC):</b> 5610</p> <p><b>Product(s) and/or service(s):</b> Yam chips and Fried chicken</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 30</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 5</p> <p><b>Full-time staff:</b> 22</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Female</p> <p><b>Age:</b> 41-45</p> <p><b>Educational level:</b> Graduate</p> <p><b>Duration of the interview:</b> 1 hour</p>
BUSINESS L	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 0</p> <p><b>International Standard Industrial Classification (ISIC):</b> 7410</p> <p><b>Product(s) and/or service(s):</b> Clothing, sewing and fashion design training</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 100-150</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 16.7-25</p> <p><b>Full-time staff:</b> 19</p> <p><b>Part-time staff:</b> 7</p> <p><b>Seasonal staff:</b> 0</p>	<p><b>Respondent role:</b> Managing Director</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 51-55</p> <p><b>Educational level:</b> Graduate</p> <p><b>Duration of the interview:</b> 1 hour 19 minutes</p>

BUSINESS M	
<p><b>Location:</b> Accra, Greater-Accra region</p> <p><b>Branches (if any):</b> 0</p> <p><b>International Standard Industrial Classification (ISIC):</b> 5820</p> <p><b>Product(s) and/or service(s):</b> Financial technology services</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> Not disclosed</p> <p><b>Approx. value of fixed assets (GBP '000):</b> Not disclosed</p> <p><b>Full-time staff:</b> 28</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 16</p>	<p><b>Respondent role:</b> Managing Director</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 41- 45</p> <p><b>Educational level:</b> Post-graduate</p> <p><b>Duration of the interview:</b> 45 minutes</p>
BUSINESS N	
<p><b>Location:</b> Tamale, Northern Region</p> <p><b>Branches (if any):</b> 0</p> <p><b>International Standard Industrial Classification (ISIC):</b> 4620</p> <p><b>Product(s) and/or service(s):</b> Rice, maize and soya bean, Groundnut</p> <p><b>Ownership:</b> Limited liability</p> <p><b>Approx. value of fixed assets (GHs '000):</b> 16,000-20,000</p> <p><b>Approx. value of fixed assets (GBP '000):</b> 600-800</p> <p><b>Full-time staff:</b> 27</p> <p><b>Part-time staff:</b> 0</p> <p><b>Seasonal staff:</b> 40-100</p>	<p><b>Respondent role:</b> Owner-manager</p> <p><b>Gender:</b> Male</p> <p><b>Age:</b> 41-45</p> <p><b>Educational level:</b> Post-graduate</p> <p><b>Duration of the interview:</b> 1 hour 7 minutes</p>

## **5.4 CONCLUSION**

In this chapter, the approach to data collection. The selection criteria for the participants, the interview protocol and an overview of the interviewees were discussed. The data collected from the interview participants via the data collection methods employed were transcribed, cleaned and analysed. This is presented in the data analysis chapter, which is next.



## **CHAPTER 6: DATA ANALYSIS**

### **6.1 OVERVIEW**

The data analysis phase, although presented here in a sequential manner, was far from that in reality. Data analysis in most qualitative research is iterative, and this study was no different. Steps 1 and 2, involved organising and cleaning the data and reading through the transcripts, so they will not be expanded on here. Miles and Huberman (1994) make the case that data analysis starts from the transcribing as what gets transcribed and how translation is done even involves some form of analysis. This is mentioned to indicate the author's awareness of the fact that the data analysis may have commenced in steps 1 and 2. With that said, the stages in the data analysis will be presented and unpacked in the following sections.

### **6.2 DESCRIPTION OF THE DATA ANALYSIS**

The multiple case study involved in this work meant the case analysis would be split into two, within-case analysis and a cross-case-analysis. After steps 1 (i.e. organising and preparing data for analysis) and 2 (i.e. Reading through to obtain a general sense of the data) had been followed for each case, each case went through steps 3 (i.e. first-order analysis), 4 (i.e. second cycle coding), 5 (i.e. thematic analysis of second cycle codes) and 6 (i.e. interpretation of data). The journey from raw data to aggregate dimensions that took place in the cross-case analysis is illustrated in Appendix H. These aggregate dimensions (Gioia, Corley and Hamilton, 2013) are written up under 3 main categories in the following sections, namely: institutional context (see section 6.3), business model changes (see section 6.5), and mapping the data on to the research questions (see section 6.7).

### **6.3. INSTITUTIONAL CONTEXT FOR GHANAIAAN SMEs**

This section will present the view of the institutional context of Ghana for SMEs based on the data collected from the institutional bodies in this work. The interview with the institutional bodies painted a picture of the institutional context that small businesses in Ghana find themselves in, at least for the past 5-8 years. Four key areas emerged from the discussions with the institutional bodies, and they shall be elaborated below, they are:

1. Distinguishing formal and informal SMEs

2. Institutions struggling to solve SMEs problems
3. Informality in SMEs and institutional voids contributing to informality in SMEs
4. The pervasiveness of institutional voids

### ***6.3.1 Distinguishing the government's definition of formal and informal SMEs***

The most important contribution of MOTI to this research was their insistence on distinguishing between formal and informal SMEs. MOTI hastened to point out that there exist registered and unregistered SMEs. Registered SMEs—i.e. formal SMEs—being the ones that are duly registered with the Ghana Registrar Generals Department and thus institutional bodies have data on them. In contrast, unregistered SMEs—i.e. informal SMEs—are not registered with Ghana Registrar Generals Department, and so institutional bodies lack official data on them. This seemingly simple distinction meant that all that is said about SMEs by the institutional bodies is only limited to the information they have about registered SMEs in the country.

At the time of the interview, there was no data available from the government on how many SMEs are registered but, the informality index—which is the percentage of registered firms competing against unregistered firms—from the Enterprise Survey (The World Bank, 2013), might help illuminate the point here. Of the firms in Ghana, 69.4% of them compete against unregistered or informal firms in their sector, but in the case of small firms (i.e. firms with 5-19 employees), 75.5% of them competed against unregistered or informal firms in their sector. This insight from the World Bank illustrates the size of the informal sector in Ghana and suggests that a large proportion of SMEs are ‘off the radar’—i.e. operate as informal SMEs—of institutional bodies as that is supposed to govern and regulate them.

### ***6.3.2 Institutional bodies and SMEs problems***

One thing that also became immediately obvious, through the testimony of both institutional bodies, was that they are finding it overly challenging to solve the problems SMEs are faced with in their institutional context. Two examples to clarify this point, one from the capital market and the other from the product market. Aware of the voids SMEs face in the capital markets, the NBSSI has offered some training on record keeping to boost SMEs chances when accessing bank loans. However, accessibility to bank loans remains problematic for the SMEs because banks are still unsatisfied with the records SMEs furnish them when seeking to access

finance. Another example is in the product markets where the dearth of information has meant that SMEs have to struggle in accessing key data and market information they need for business. However, the institutional bodies assert that alternative solutions to this dearth of information have been provided, but it is the SMEs who refuse to use these alternatives; hence why they still face such data problems. Institutional voids in the markets (i.e. product, capital and labour markets) SMEs operate in thus remain pervasive amidst efforts by institutional bodies to curb them. Furthermore, these voids in the markets, when combined with the voids in the formal and informal institutions—e.g. weak regulatory enforcement and tax evasion on the part of the SMEs—that affect the SMEs, make the burden of solving them even more difficult for the institutional bodies.

SMEs find themselves amidst institutional voids which are so unescapable and thus they have to fend for themselves. This compels the SMEs to operate in whichever ways that can help them survive and thrive. However, for the institutional bodies, on the other hand, although there are institutional voids, the way the SMEs currently operate compared with how they ought to operate is what is making it challenging for the institutional bodies to tackle the problems SMEs face.

### ***6.3.3 Informality in SMEs and institutional voids contributing to informality in SMEs***

Informality in SMEs that is, SMEs staying off the radar of institutional bodies also came up sharply in the interviews with the institutional bodies. The majority of SMEs tend to remain unregistered and operate outside the purview of the institutional bodies while even the few formal SMEs (i.e. the registered ones) do not unveil themselves to institutional bodies as the institutional bodies require them to. So, the SMEs and institutional bodies tend to remain in separate worlds rather than in the kind of close partnerships the institutional bodies will like them to be involved in with them.

The executive director of NBSSI, for instance, in a conversation with the researcher pointed out how such informality in the SMEs, from her view, exists due to institutional voids. This comment is even more interesting, considering that from the data collected from the small businesses in this research shows some evidence of informality being one of the ways they cope with the institutional voids. An example of how SMEs will operate informally to navigate an institutional void can be found in the data collected from Business A, where the owner-

manager pointed out that in their contracts with other firms, all elements in the contracts are adhered to except the part that has to do with payment. They sign a contract, for instance, where they are to be paid in thirty days. However, this will not happen, no legal action will be taken, and they are perfectly okay with it. Why? Because it is normal for that to happen, so they live with it without pressing legal charges.

#### ***6.3.4 The pervasiveness of institutional voids***

The interview with the institutional bodies also revealed the pervasiveness of institutional voids in Ghana. The interviewee from NBSSI spoke mostly about the voids in the regulatory systems and sparingly about other voids in the general business environment in Ghana. However, the institutional voids framework adapted for this work was used in soliciting information from the NBSSI to ensure that the NBSSI answered the same set of questions about the dimensions of the institutional voids in the adapted framework. So, the main data collected from the government agency NBSSI was based on the six dimensions—i.e. regulatory systems, product market, capital market, labour market, contract enforcement mechanisms, informal institutions—of the institutional voids framework for this research (See section 2.6 for a more detailed explanation of the dimensions). The information from the NBSSI is then used to paint a picture of the institutional context of Ghanaian SMEs, which is then triangulated with the SMEs views of their institutional context.

##### ***6.3.4.1 Regulatory systems***

- **Non-adherence to regulations**

First of all, regulatory bodies (e.g. Food and Drugs Authority, Environmental Protection Agency, etc.), as well as statutory and non-statutory regulations, exist in Ghana. So, the problem is not the absence of regulations or regulatory bodies. Rather, the problem is that the SMEs do not adhere to the existing regulations that they should be adhering to. That is the problem. However, even though this is a problem at present, the NBSSI opines that there have been some noticeable improvements. NBSSI, for instance, has been making efforts to reach out to SME via awareness creation just so the SMEs are informed about the benefits of adhering to the existing regulations. Moreover, in such efforts, they have noticed some improvements in adherence, at least with the SMEs they have engaged with.

- **Weak regulatory enforcement**

The regulatory context for the SMEs is characterized by weak regulatory enforcement. Yes, there are regulations, but they are not enforced. One would expect that the problem of non-adherence to regulations would mean regulatory enforcement will be high in an attempt to solve the non-adherence, but that is not the case. Non-adherence to regulations is a problem, and regulatory enforcement is also a problem. Much cannot be said here as the institutional bodies were reluctant to elaborate as to why they think enforcement is a problem. The following quote illustrates this reluctance:

*“Enforcement is an issue. Enforcement is weak. Those that enforce can tell why”*  
(Director of Entrepreneurship Development, from NBSSI)

#### 6.3.4.2 Product market

- **Not accessing available alternatives**

There are some problems in Ghana’s product market, the bulk of it is due to SMEs not accessing the available solutions. Although there are no public data banks or anything of that sort available to Ghanaians, some of the institutional bodies (e.g. NBSSI) in the country have information available that SMEs can use, but these are rarely accessed. The NBSSI for one is of the view that attitudinal problem, low educational levels of entrepreneurs and the low ICT literacy are some of the reasons why solutions are available, but they are not being accessed. Concerning the attitudinal problem, NBSSI opines that the people have an attitude of not seeking information. They just conclude that information is not available. Also, most entrepreneurs are illiterate or not well educated and so cannot go where they can find the available data and information. Low levels of ICT literacy is another reason why some information exists, yet they are not being accessed, according to NBSSI.

#### 6.3.4.3 Capital market

- **Noticeable improvements**

Access to finance is a perennial problem for Ghanaian SMEs, but there have been some noticeable improvements in recent times. Most of the banks are now setting up SME

departments to help curb the problem of SMEs lacking finance, which is proving very helpful. However, the NBSSI added that for some other banks, SME departments and SME finance is only a solution that is available on paper.

- **Difficulty in accessing finance**

SMEs struggle to access finance, where they are able to; it has been short-term finance options and not long-term capital. Some SMEs are known to be able to still access finance, and these are the innovative ones that are doing well. The NBSSI also pointed out it offers business planning support and bookkeeping training for SMEs because, in the past, SMEs have struggled to access finance because they had no records to inform the decisions of the financial institutions.

#### 6.3.4.4 Labour market

SMEs face several problems concerning employees, all of which create many voids in the labour market from which they must employ. From salary problems to employee treatment to employee attitude. The high cost of graduate workers and poor work attitude, for instance, is ubiquitous. Graduates and highly skilled staff are too expensive for SMEs, and they thus must resort to using other options. This is captured in the quote below NBSSI:

*“Also, businesses do not go for high-end graduates because they cost more. They look to family or anyone that can come in and get the work done well enough for them. If they are to employ graduates, then they will go for mid to low end educated individuals.” (Director of Entrepreneurship Development, from NBSSI)*

Poor worker attitude also seems to be pervasive for SMEs. SMEs, NBSSI noted, complain about their workers a lot. The staff SMEs employ have poor work attitude, and this is not getting any better. On the one hand, employees in SMEs have a poor attitude towards work. On the other, employees in the SMEs say the businesses do not pay well enough. Religious influence on the personal work ethic of most people is another problematic issue in the labour market was hinted at.

#### 6.3.4.5 Contract enforcement mechanisms

- **Informal contracts**

SMEs do not formalise their contracts which make enforcement of contracts in their operations very problematic. The contract enforcement mechanisms among SMEs are weak as they are predominantly verbal and not in writing. The quote below captures this point.

*“They do not formalise their contracts. It is verbal, so it cannot be pursued legally, and this has always been like this. It can change, but we will need to work on their minds if we are to achieve this. SMEs have problems all the time with this because their contracts are not documented and cannot be taken to court.” (Director of Entrepreneurship Development, NBSSI)*

#### 6.3.4.6 Informal Institutions

Normative and cultural component covers the informal rules aspects of “institutions”. Informal institutions are socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels (Helmke and Levitsky, 2004). So, the voids in the normative and cultural pillars capture the aspects of socially shared and unwritten rules that make businesses—in this case, SMEs—counter-productive and increase their transaction cost. Six codes emerged from the NBSSI interview to describe the voids in the normative and cultural pillars as defined above.

- **Contract and agreement violation**

Non-adherence to contracts is the norm in the SMEs ecosystem, and negotiations and agreements are not adhered to. Considering that SMEs mostly employ non-verbal contracts and contract enforcement are problems in the institutional context that these SMEs find themselves in, contract and agreement violation was unsurprising to the interviewees.

- **No formal work hours**

Consistent work hours are not a feature of most Ghanaian SMEs. Most of them dictate their work hours and thus work or open for trading as and whenever the owners dictate.

- **No product measurement standards**

Sale of goods and services lack standardised units of measurement, and so the SMEs are left to their discretion on what is adequate to sell. This lack of measurement standards tends to lead

to the sale of unapproved products (e.g. expired products) and diluting products in ways that can increase the number of goods sold to the customer.

- **Industry gender issues**

Gender barriers and the exclusion of women from certain industries is widespread in the SMEs ecosystem. Certain industries may present business opportunities for people but due to certain unwritten rules and norms about which genders are acceptable in that industry and which ones are not, most of these business opportunities are not exploited.

- **Tax evasion**

Under-reporting finances, not reporting financial information and/or concealing business records in an attempt to evade paying tax is also commonplace among SMEs.

#### **6.4. CROSS CASE ANALYSIS OF THE SMEs**

Following the within-case analysis of the 14 cases, a cross-case analysis was conducted according to the data analysis approach of the research. The cross-case analysis will consist of 3 sections, namely; changes in the business model, institutional context, and mapping data on to research questions. The changes in the business model section, as the name suggests, will discuss the changes observed in the cross-case analysis of the SMEs. The institutional context section will be about the institutional context that SMEs find themselves in, from the SMEs point of view. Once these two sections have been present in the last section, insights from the data analysis will be mapped on to the research questions to discuss the answers to the research questions that emerged after the cross-case analysis.

#### **6.5. CHANGES IN THE BUSINESS MODEL**

This section is based on what the SMEs identified as being the changes in their business model over their past. Following the definition of the business model and the approach taken to operationalising it (see section 2.2.2), the business model canvas—see Appendix J for a depiction of the business model canvas and its components—by Osterwalder and Pigneur (2010) was used in talking to the SMEs about their business model. There are nine components in the business model canvas (Osterwalder and Pigneur, 2010), and they are key partners, key activities, key resources, value proposition, channels, customer relationships, customer



segments, cost structure and revenue streams. Clarifying these is essential for this section because, firstly, the changes in the SMEs business model can either take place in their business model components and/or their business model architecture (i.e. the relationship and interrelationships that exist between the business model components). Secondly, the nature of the changes in the business model components and/or business model architecture can either be qualitative and/or quantitative; this is unpacked later under the degree of change subsection. First, we shall look at the degree of change in the business model across the 14 cases, then the drivers of the business model changes will follow afterwards.

### **6.5.1 Degree of change**

Using a 5-point Likert scale, the small businesses were asked to quantify the changes that have taken place in their business model so that one can envision the degree of changes their business model has undergone. Table 6.2 below represents these changes:

Table 6.2-Degree of changes across the SMEs

<b>Degree of change</b>	<b>None at all</b>	<b>A little</b>	<b>Moderate</b>	<b>A lot</b>	<b>Completely</b>	<b>Anomaly</b>
<b>Scale</b>	1	2	3	4	5	N/A
<b>Number of SMEs</b>	0	2	0	6	5	1
<b>Businesses</b>	N/A	E, H	N/A	A, D, F, G, I, L	B, C, J, K, N	M

From the table above, two SMEs experienced little change (i.e. 2 out of 5) in their business model, six experienced many changes (4 out of 5) in their business model, while five SMEs said their business model has completely changed (i.e. 5 out of 5). However, there was one anomaly. One of the SMEs, Business M, could not tell the degree of changes that have taken place in their business model and so their response on this is null and void. For Business M, there have been several changes in their business model, but they cannot tell whether it is a little change (i.e. 2 out of 5), moderate change (i.e. 3 out of 5), a lot of changes (i.e. 4 out of 5) or that their business model has changed completely (i.e. 5 out of 5). The reason given by the respondent from Business M for why they cannot tell the degree of changes in their business model is captured in the following quote:

*“It is difficult to answer this one because I can look at it one way and say we have not changed at all as a business, but we have grown in size; right? Alternatively, I can also look at it another way and say we have changed. However, this change will be in terms of size, mainly. So, I will say we have changed, but I cannot put a number on it because it depends on how you look at it. Essentially, we are the same business, but meanwhile, we have changed in several ways.” (Managing Director, Business M)*

All the SMEs experienced changes in their business model. Most (i.e. 11 out of 14 SMEs) experienced extensive changes in their business model. The component of the business model that changed the most across the cases was the key resources and cost structure component (i.e. 9 out of 14 SMEs experienced a change in both components) while the key partners component changed the least (i.e. only 2 out of 14 SMEs experienced a change in key partners component). Almost any change in the key resources seems to alter the cost structure of the SMEs and so the fact that those two components changed the most is unsurprising. A change in key resources is bound to alter the cost structure of the firm, but a change in the cost structure does not mean there will be a change in the key resources (e.g. is the case of Business H).

The degree of changes in the business model is about changes in the business model in general, that is, the extent to which the small businesses business model changed and the nature of the changes. The data revealed that it was requisite to categorize changes in the firm's business model into two broad categories, that is the change that is qualitative and change that is quantitative. Quantitative changes are the changes in the business model that can be measured by an increase and/or decrease in the features of the business model component(s). With quantitative business model changes, they are easy to detect as it often involves structural and measurable changes (i.e. an increase or decrease) to the whole business model or its components. An increase in the number of key resources is a typical example with several examples in the cases studied. One such example is that of Business F. Business F did not have any warehouse of their own and used to rent. Six years later, they owned two warehouses of their own. This increased the firm's key resources, and such business model changes will be described as a quantitative.

On the other hand, qualitative business model changes are the subtle and non-quantifiable changes about the business model components and/or the relationship(s) between the various business model components. This distinction is crucial because there are cases where little or no measurable changes would be observed or discerned, yet the SMEs will still maintain its

business model has changed completely. An example is the case of Business C where only one component out of the nine business model components changed, but they still maintained its business model has changed completely and thus rated the degree of changes as being 5 out of 5. Business C only modified certain aspects of one business model component (i.e. its value proposition) and did not change any of the remaining eight components of its business model component, yet it still maintained its business model had changed completely. Therefore, there are cases where the SMEs business model will change completely, but when one looks, one will find that only one or little of the components of the business model has changed. Such changes are qualitative changes, and these changes alter the business model components themselves or the relationships between the business model component. Businesses H, C, J, and M, are firms that experience these kinds of qualitative changes in their business model. Qualitative changes are very subtle and nuanced, and they have the potential to alter the entire business model or the relationships between the business model components.

#### ***6.5.2 What is driving the changes in the business model?***

The changes in the business model have some triggers, and these are grouped into two, external and internal. The external factors driving change are the factors outside of the SME that compels them to make changes to its business model. The internal factors, on the other hand, are the factors within the SME which drive them to change their business model. The key here is that the external factors compel the SME to make changes, whereas the internal factors do not necessarily compel it. However, it—i.e. internal factors—drives and motivates the SMEs to change in a way that, from its point of view, will make it relatively better or it will get them closer to their performance and/or business goals. These two, the external and internal factors, can be divided further into subfactors as the analysis disclosed.

The external factors driving change can be further split into three categories, namely; industry-related, market-related, and hard infrastructure-related factors. The internal factors, on the other hand, can be divided further into four categories, namely; owner-manager/management related, growth-related, business performance-related, and innovation related internal factors.

*6.5.2.1 What external factors compel SMEs to make changes to their business model?* The external factors driving change can be split into three categories, namely; industry-related, market-related, and hard infrastructure-related factors.

### **A. Industry-related external factors**

These are the industry-wide factors peculiar to the industry in which the SME is operating. The main ones that emerged from the data are industry standards and technology-driven changes in the industry. Every industry has its own standards that firms in that industry are expected to adhere to or uphold, and this is the same for the SMEs that were studied. Certain standards exist in their respective industries and depending on whether they are changed requires SMEs to adapt their business models accordingly. These are often industry standards and expectations that firms are not obligated to adhere to, but as the industry norm, they are expected to adhere to them just to “fit in” the industry. An example is when Business B, the men’s apparel producer started to do deliveries because “everyone” expects that when they want to buy from them and cannot come in store, it should be possible for the product to be delivered to them.

The other main issue in the industry is technology-driven changes. The advancements in technology seem to be transforming industries one after the other and same can be said for the businesses that were studied. Some changes in the industry are being made possible due to technology, and this kind of technological change is overly compelling that the small business must always change to accommodate it, or it must perish. A good illustration of this is Business C. Only the value proposition component of the firm’s business model changed, and yet the interviewee from Business C opined that its business model had changed completely (i.e. 5 out of 5). Why is this the case? It is due to the industry-wide changes driven by technology.

The following quote will help illuminate this point:

*“Digitalisation and improvements in technology have taken the power from production houses and media houses too...Half of the budget of clients that used to go to traditional houses now goes into digital outlets...Internet and ICT contributed to this you know. Now everyone could find the media houses and the production companies (i.e. firms media content producers) and thus would not have to go through us to find them or even go through us to produce media content which we will later charge them to have it aired on any of the media houses. So, the past business model we used was not transparent, and the information asymmetry made this possible; but the digital economy has disrupted this.” (Managing Director, Business C)*

Advancements in ICT, particularly internet and social media, is transforming most industries and the SMEs must almost instantly respond immediately to these changes.

### **B. Market-related external factors**

Aside from the industry-wide changes compelling the small businesses to change their business model, there are market-related drivers also. The market the firm targets has certain market-wide factors “closer” to the firm than the industry factors, which compels it to change. The main ones under the market-related external factors are supply and customer behaviour, and price signals. The way the small businesses interacts with their suppliers and customers based on the behaviour of these suppliers and customers often call for changes in their business model; changes that will accommodate these customers and suppliers. Feedback from the customers, increased demand, response or no response from customers to the small businesses’ products all come under this.

Since the business model is directly impacted by the actions of the customers and suppliers of the small business, the small businesses always respond to their customers and suppliers based on their how these customers and suppliers behave. An example of this was when Business M had to modify its value propositions due to the behaviour of its customers. The quote below highlights this point:

*“Another thing is the banks and financial institutions. You see, we are financial technology providers, and we are there to provide financial technology to financial institutions. It is our main mandate. But, some of the financial institutions are beginning to develop their own financial applications, and the more they do, the lesser our relevance. So, that has forced us to be innovative and introduced other products just to keep the money coming in.” (Managing Director, Business M)*

Price signals are another vital part of the market related external factors, to which the small businesses respond. High market price, for instance, of stock, could force the small business to seek out different suppliers, which will then mean it will have to modify its business model in order to accommodate this seemingly simple change in supplier. An example was the case of Business H when they reacted to high market prices of some of their inputs. The quote below explains this:

*“...we realised it was expensive buying directly from the market, so we decided to look for the importers to buy from them directly. So, we made arrangements with importers*

*and paid a deposit and later paid the full amount. So, what we did was to meet the importer right at the harbour and buy it from them before it gets into the market to attract the market price.” (Owner-manager, Business H).*

This reaction to the high market prices it was experiencing will later go on to impact its cost structure component of the firm’s business model as well.

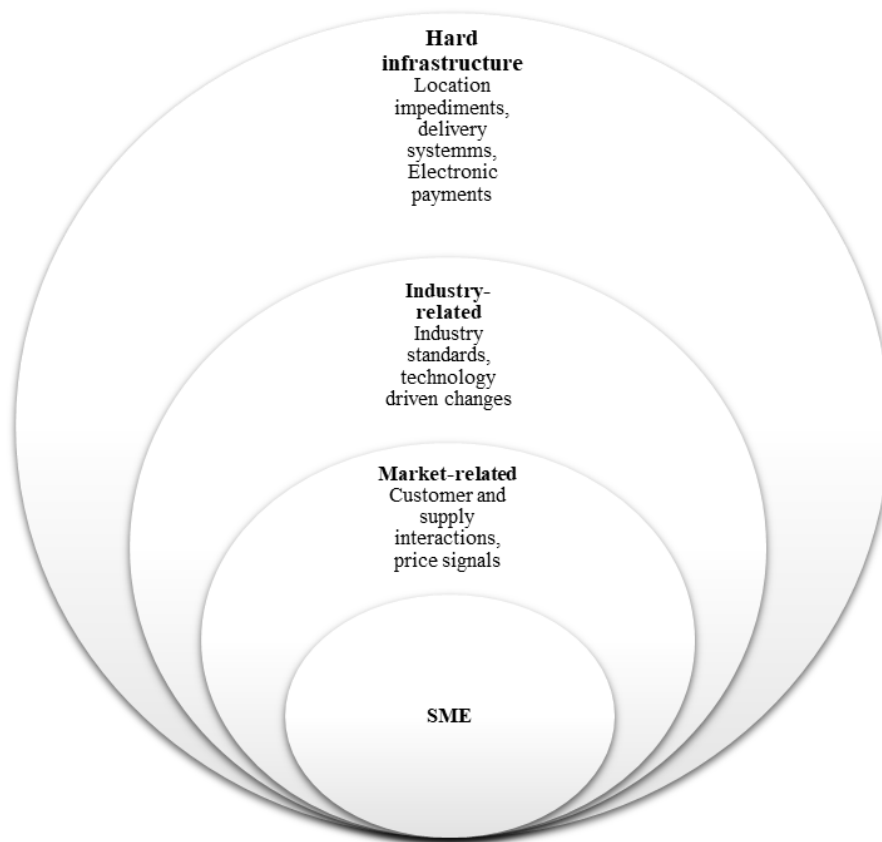
### **C. Hard infrastructure-related external factors**

Hard infrastructure-related changes are about issues the small businesses must contend with which are outside their control. The main things that came up under this were location impediments, delivery systems, and electronic payments and the issues surrounding it. The location impediments cover business located challenges. For instance, a small business wants to make certain changes to its business, but the location impediments constrain it from doing so. Such was the case of Business H, which is very well captured in the following quote:

*“Also, the lack of extra space made us change. There were other things I wanted to introduce into the business, but the location we are based on is so demarcated and managed by the local authority that it is hard to get extra space. The politics and power play around it is too much it is not worth it. So not getting space also made us change in a certain way.” (Owner-manager, Business H)*

Delivery systems and hard infrastructure on the location that is their availability and the lack thereof has meant the small businesses must modify their business model in accordance. Whereas in the past, having one sales channel (i.e. brick and mortar shop) was adequate for most of the small businesses, the availability of courier services, for instance, has led to small businesses having to introduce delivery options to their business model. A similar thing can be said of electronic payments. Although electronic payments in Ghana has its challenges due to low patronage and underdeveloped infrastructure to support it, the presence of mobile money payments has compelled many of the SMEs in this study, especially those can be described as B-2-C (e.g. Business A & B), to alter their business model to accommodate this new development. The external factors driving small businesses to change are summarised in Figure 4.1.

Figure 4.1-External factors driving change to the SMEs business model (source: Author's construct, 2019)



#### 6.5.2.2 What internal factors compel SMEs to make changes to their business model?

The internal factors are the factors within the SME which drive it to change the way it operates, and these are categorised as follows: owner-manager/management related, growth-related, business performance-related and innovation-related. They are explained further in the following subsections.

##### **A. Owner-manager/management related**

Owner-manager/management related internal factors relate to the management of the small businesses as well as the capabilities of its management team. In some of the small firms, it was found that there is no formal management team in place and so the management is primarily carried out by the owner-manager(s) (e.g. in Businesses A and J for instance). In such businesses, the owner-manager(s) and his/her personal attributes serve as an internal driver of changes to the business model. The owner-managers vision and/or passion in such

businesses is a strong driver toward changing the business model. An example can be found in the case of Business C in the quote below:

*“Everybody when you do business you know you want the business to grow and continue to grow and do well, so that is it. We have grown, and that is why you see all these differences... Also, it is in our heads that when we start a business it must grow and be successful... So, the desire to grow was there. For me all along when I was a shoemaker and when the business was small I always envisioned growth and growing bigger” (Owner-manager, Business B)*

The above quote is a positive case. In such businesses where the owner-manager is the sole manager, the fact that so much revolves around the owner-managers personal attributes could also pose a challenge. Any limitation or weakness of the owner-manager could translate into a limitation for the business itself. For instance, in Business H, the owner-manager found personnel management overwhelming and his workload unbearable he had to lay off some staff to make personnel management and his overall responsibility in the business bearable for him to handle by himself. Thus, the growth of the business—measured in increases in staff headcount—was sacrificed to achieve this. The following quote adds to the foregoing explanation:

*“I was getting too tired, to be honest. The workload was unbearable... So, the tiredness forced me to change. That was the main thing. Because even though I had boys to assist me, you could not really leave them and trust them with the business, so you still had to be involved in everything that went on, and that is tiring. So, I had to make changes.” (Owner-manager, Business H)*

In the small businesses with a formal management team, things are a bit different. In such firms, although the owner-manager(s) will remain integral as a driver of change, the whole management team tends to be responsible for driving changes to the business model and making it happen in the SME.

## **B. Growth-related**

Another strong internal driver for making changes in the business model is the type of vision underpinning operations in the small business. From the data, the ambition to grow emerged as a common denominator in the small businesses. Three SMEs (i.e. Businesses A, B and K)



explicitly mentioned growth as a cause for the changes in their business model. But speaking with the small firms, one gathers that implicit in their approach to operations is a desire not just to survive but to survive and grow. What constitutes growth, however, differs from business to business. The small businesses have an assumption that they must grow and so this drives them internally to make certain changes to their business model that will get them closer to their growth ambition.

### **C. Business performance-related**

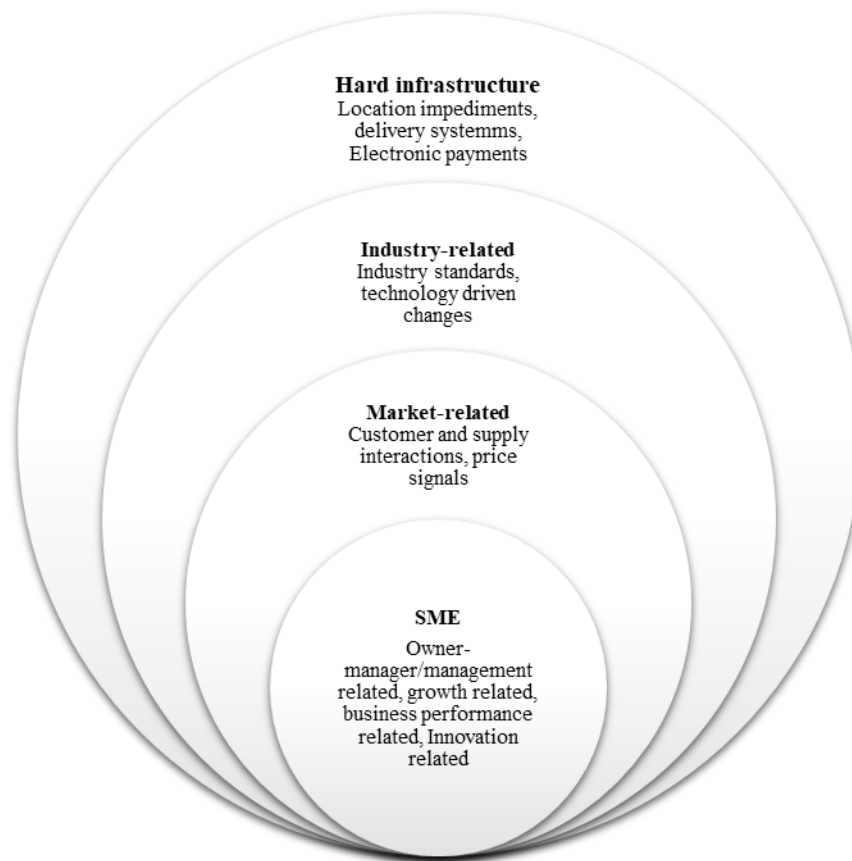
Business performance-related drivers have to do with the practicalities of everyday business. The small businesses have a *modus operandi* or an idea of what an optimal level of performance looks like for them. Thus, they tend to have expectations of how the business should run on a typical day. Because of that, any deviation from this status quo raises a signal for them to address things; which usually involves making changes to the business model. These signals from their day-to-day operations are what is captured under business performance-related factors as these signals always tend to cause the firm to make changes to their business model in order to get things on track. An example is the case of Business J, the fish farm. The firm has expectations about the number of fingerlings they should harvest at an optimal level of operations. So, any deviation away from this gets the firm to take a closer look at its business model, and this often leads to changes being made, especially when such deviations from optimal levels are persistent.

### **D. Innovation related**

Another fascinating insight from the data was that six of the small businesses (i.e. Businesses A, D, F, I, J and L) did some sort of further learning and research, so they can learn about new things that can help improve their own businesses. In these six cases, two of the firms (i.e. Businesses D and J) gained key information through networking at events and speaking to other entrepreneurs. The other four adopt an approach of scanning the environment and paying close attention to market signals to identify things that will necessitate they change or introduce something new. This approach of scanning and monitoring the environment is common among the small businesses, but they are never explicit about it in their speech.

Below in Figure 4.2 is a summary of both the external and internal drivers for BMI in SMEs.

Figure 4.2- Factors (internal & external) driving change to the SMEs business model (source: Author's construct, 2019)



### ***6.5.3 The institutional context for SMEs***

The institutional context the small businesses find themselves in will be presented in this section. Once that is done, it will be juxtaposed with the institutional context of SMEs from the viewpoint of the institutional bodies that were interviewed in this research. The six components of the institutional framework being used for this research will be presented then after that, other external factors of influence outside the dimensions of the framework being used will be discussed. The six dimensions of the framework are regulations, product market, capital market, labour market, contract enforcement market, and informal institutions. These six, as explained in the literature review chapter (see section 2.6.1), were adopted from the works of seminal works of Khanna and Palepu (1997), North (1990) and Mair and Marti (2009). In the following subsections, the institutional context the SMEs find themselves in will discussed.

#### 6.5.3.1 Regulatory systems

The regulatory systems of the institutional context cover the rules backed by formal authorities and institutional bodies of the country that affect businesses. Three categories, namely, regulatory bodies, regulations and weak regulatory enforcement, came up. For seven of the SMEs, there exist regulatory bodies that regulate the industry they operate in (i. e. Businesses A, D, F, I, J, L, and N), but this is not the case with the others. In six others (i.e. Businesses B, E, G, H, K and M), there are no regulatory bodies, and so the firms are only required to operate legally. For Business C, although there are no regulatory bodies, there still exists regulations or transaction and/or product-related regulations they must adhere to. Overall the regulatory environment of the SMEs is weak because even in cases where there are explicit regulations and regulatory bodies, enforcement is weak or non-existent; let alone where no regulations or regulatory bodies exist.

#### 6.5.3.2 Product market

The product market is about the ease with which the SMEs find it to get information on industry players as well as how the SMEs go about finding such information. These SMEs had little information, and information costs are usually high. It is difficult to get information on products, customers and potential customers and, there is often a lack of industry-wide databases or data banks. The SMEs thus attempts to remedy this through primary research. They rely on their first-hand experience and, as one of the interviewees put it, go about getting information the “traditional way”—i.e. they go out there and talk to whomever it is they want the information from. The owner-manager plays an active role in this first-hand gathering of information, particularly in the firms where the owner-manager is the “boss”, and there is no managerial team in place. Other avenues such as online research, talking to customers, tapping into their own network and spying on competitors are also used by SMEs in their quest to overcome the dearth of information they face in their product market. One example to illuminate this point is from the case of Business L and how Business L take to social media to find information:

*“For us, we actually do a lot of feasibility studies, looking at the trend and looking at social media and looking at what is being discussed there. Because more of our target customers are on social media. So, we do feasibility.” (Managing Director, Business L)*

There are some anomalies, however, and that is the rare case where there actually is information available for some of the SMEs. This is the case of Business I, the business facilitation and investment brokerage firm, and Business N, the Agribusiness firm. For Business I, their experience of getting information has been positive overall. This is unsurprising since their target customers and the firms are often large and relatively more developed firms who tend to have more information about them in the public domain and/or an online presence. For Business N, getting information has proved easy for them because the firm in the past has been profitable and financially strong enough to use the services of business consultants who have ended up aiding them in getting information.

#### *6.5.3.3 Labour market*

The labour market deals with access to a well-skilled and available talent pool that SMEs can tap into. The problems that SMEs come up against when dealing with the voids in the labour market can be categorized under two broad umbrellas; skilled labour-related and unskilled labour-related. The problems SMEs face with skilled labour in the labour market is different from the problems they face when dealing with unskilled labour. First, finding staff is not difficult for SMEs; it depends on whether it is skilled or unskilled labour. For unskilled labour, it is almost unproblematic for all the SMEs, as it is easy to find unskilled labour and meet their salary expectations. The problem is with skilled labour. Skilled labour is hard to find for the SMEs, whereas for some, it is not; but the latter case is rare. For those that find it hard in finding skilled staff the problems are that there is a “skills gap”, that is, the practical ability of the skilled labour they come across does not match the theoretical knowledge that these skilled labours possess. Thus, they find that they always must retrain the skilled labour they employ in order to bring their practical ability up to scratch and render them fit for purpose. An example is found in the quote below:

*“When you recruit them, you also have to retrain them and bring them to the level, so that they can meet your standards and the standards that have been set. That is the industry standards. So, there is a big challenge in that area.” (Managing Director, Business L).*

When SMEs can find skilled labour that is fit for purpose and do not need retraining, they find that such skilled labour is too expensive for them to employ as they cannot meet the salary expectations of such skilled labour.

Aside from the skilled and unskilled labour issues the SMEs face, they all seem to be unimpressed about the work attitudes of employees. It is hard to tell whether it is an accepted view for owner-managers/SME management to complain about workers and potential workers attitude or it is indeed a pervasive problem. This is because almost all the SMEs seem to have a similar complaint along the following lines: “people are lazy”, “they do not like to work hard”, “when you work with them, they cannot see the bigger picture and the vision and thus are not focused enough”.

#### *6.5.3.4 Capital market*

The capital market is about the access to funds in general and, it also considered the SMEs experience in attempting to access funds. The SMEs prefer self-reliance when it comes to capital, that is, a preference for relying on their internal capital without having to seek external capital. It is hard to decisively tell whether SMEs prefer to be self-reliant when it comes to capital because external capital is hard to access, or it is just that SMEs have a predisposition to be self-reliant when it comes to capital; or even both. But, the former—i.e. SMEs prefer to be self-reliant when it comes to capital because external capital is hard to access—seems to be more probable. This is because, except for Businesses E, F and M, the anomaly cases on capital, and Businesses B and D who agreed to never having the need for external funds, all the other SMEs either complained about the difficulties in accessing external capital, high interests, lack of long-term capital or they just wrote off their chances of getting external capital, so they did not even consider it.

Accessing capital is hard with financial institutions because the rates are too high and/or the terms and requirements for accessing capital are complicated for SMEs to meet. This view was the experience of eight SMEs (i.e. Businesses A, C, G, H, I, J, K, and N). Where capital is available it is only short-term capital with rates that are not worth going for; such was the case of Business I. Feelings and perceptions about the capital market are mixed among the SMEs studied even though capital is hard to access. Some SMEs are optimistic that the capital market will ease up and improve in future for capital to be easily accessed, whereas others are not so optimistic in their outlook. One SME, Business M, has been awarded grants, and that is how they have been able to overcome the problems associated with accessing external capital. Two others (i.e. Businesses E and F) reported that accessing capital has not been a problem for them because their operations have been profitable enough that they can meet their capital needs

internally without having to seek external capital. In fact, Business E and F had been so profitable that Business E had external investors approach them for business while Business F has also had corporate bankers approach them for severally for business.

Although the SMEs were not directly asked whether they have accessed other capital instruments (such as venture capital, equity investors etc.), when speaking of capital markets, they only speak of loans from financial institutions. Other capital instruments are rarely mentioned as an alternative, even for those that were refused for a loan or credit facility.

#### *6.5.3.5 Contract enforcement mechanism*

The data revealed that three of the SMEs (i.e. Businesses B, H and K) do not use contracts in their operations at all. Where they do, it is usually verbal contracts. This has made adherence to contracts and agreements difficult for them. For the remaining eleven SMEs, a very rudimentary form of written contracts and agreements are used in their operations. However, adherence to contracts and agreements remains a problem to most of those that still do use some form of written contracts and agreements. For these SMEs, what they experience is partial adherence to contracts, that is, certain aspects of contracts are adhered to but not the whole of it, particularly in terms of payment for work done. The following quotes exemplify this point.

*“.. you sell to the mines, and they tell you they will pay you back in 30 days, but it can take as long as 120 days for them to pay you and even with that you will have to chase them just to be paid.” (Managing Director, Business F)*

*“With our work, contracts are followed. We put it in writing and have them signed, so people do not break them. But as for the payment, no. Everything in the contract they will adhere to it but once they say they will pay you in two weeks or three weeks that one? Forget! But we understand the system. You see mostly it is supposed to be 30 days, but it does not happen. As I am here talking to you, some people are owing us from November 2017. So, 30 days but trust me it can take up to whenever. With this, I do not see any changes coming. It has always been like this. You write a contract, go, they sign it and everything but as for when they say they will pay, forget. It will not change. It is always going to be like this.” (Owner-manager, Business A)*

The examples captured in the quotes are norms that have been accepted and are not even challenged perhaps because seeking legal action is overly cumbersome in Ghana and that it is not worth the effort of anyone who values their time.

Firms like C, D, I, J and M reported that for them, contracts and agreements were not a problem. If looked at closely, it seems to be more about the industry the SME operates in more than anything else that determines whether it will have issues with contract adherence. For some others too, contracts and agreements are adhered to depending on who the parties to the contract are and the level of trust that they may have established between them as seen in two of the SMEs (i.e. Business E and G).

#### 6.5.3.6 *Informal institutions*

The norms and culture expressed in participants' views of the way contracts are based on the informal ways of behaving that people consider as normal and acceptable and even unquestionable. The main thing that came up under this was that informal standards are pervasive in most of the industries the various SMEs operate in. Unprofessional work standards and behaviour were common as seven of the SMEs (i.e. Businesses A, D, F, G, H, J, and K) pointed out that in several instances they must adopt a “do whatever benefits your business mentality” to get along.

Corner cutting and adopting informal procedures and processes to operate was commonplace in almost all the businesses. One such behaviour was the payment of bribes and using political connections to influence certain business decisions. The experience of Business F in the quote below brings this to light:

*“For the informal norms, it cannot be changed. These procurement guys in the mining industries will accept bribes and continue to accept it forever. It cannot be changed. When we have to tender, some suppliers will forever try to manoeuvre and bribe the procurement guys (i.e. procurement managers, officers, etc.) and promise them a “cut” should they win the contract. This is how the industry has been, and I do not think that will change. I do not believe it will...It is a very dirty arena with corruption going on behind the scenes by these procurement guys and the plant managers/workers on plants who can take money and pass behind to recommend certain products all because they have taken money from certain suppliers.” (Managing Director, Business F).*

None of the interviewees admitted to taking such actions themselves but hastened to add that such actions were commonplace in their respective industry. Another thing also was employee attitudes. Dishonesty and unprofessional behaviour were common among employees in the SMEs, and it was an issue that management always had to deal with. The following quote exemplifies this:

*“The thing is when we grew in number there were so many things to deal with at the same time. Each additional employee comes with additional problems to deal with. The more people you have the more theft cases you see in your business, the more the complaints to—your own employees try to cheat you—so I just gave up trying to take on more people and just reduced the number to a number where I could manage with no stress or unnecessary pressure and headache.” (Owner-manager, Business H)*

Some participants (i.e. Businesses B, I and M) were reluctant to talk about the norms in the industry whereas others, Businesses D and C pointed out the absence of labour unions and strategically withholding information as part of their industry norms.

#### *6.5.3.7 Other factors in the institutional context*

Aside from the six dimensions of the institutional context framework used, SMEs were asked about other external factors in their institutional context that they deem influential to them. Macro trends, which covers such issues as the advancement of ICT, the rise of eco-friendliness and China’s presence in Africa, came up as one of the key influences SMEs in Ghana are having to deal with. Customer attitudes was another key thing that came up. The mindset of the Ghanaian consumer, their level of education, and their openness or the lack thereof towards new products constrained the SMEs in the ways they operated. Government policies on the industry was unsurprisingly a strong external influence for the SMEs as well as the level of sophistication of hard infrastructural development. An example can be found in the case of Business H in the quote below:

*“You know in our line of work we do not pay social security. So now they have introduced something where we have to. So, there are people going around to take that money. It is like a scheme where you register your workers and pay every day for them, so by the time they are leaving work they will have some sort of security like a pensions scheme for them.” (Owner-manager, Business H)*



Bad roads, power outages and the absence of data banks are infrastructural problems reiterated in four companies (i.e. Businesses A, C, M and L) as challenges that the SMEs had to battle with.

## **6.6. INSTITUTIONAL CONTEXT OF GHANA: SMEs VIEW COMPARED WITH THE INSTITUTIONAL BODIES VIEWS**

In this sub-section, the SMEs view on the institutional context will be juxtaposed with that of the institutional bodies. Differences and similarities between the views of the two groups will be highlighted and elaborated.

### ***6.6.1 Regulatory systems***

The SMEs view on the regulatory context and that of the institutional body is the same to a very great extent. Same issues are identified by both sides, but the differences between their view are about the details in the issues pointed. Both the SMEs and institutional body pointed out that regulatory bodies exist, there are regulations, and enforcement is weak. However, both parties differ in detail when they expand on their points. The institutional body pointed out that regulatory bodies exist as well as statutory and non-statutory regulations for SMEs to follow. This, the small businesses will agree to but will add two more things. One is that although the view of the institutional body is right, not all the industries have a regulatory body regulating the affairs within that industry. Second is that even though statutory and non-statutory regulations exist, only a few of such existing regulations are relevant or applicable to their industry as most of these regulations tend to be trans-industry. As for enforcement, both unanimously agree that it is weak, but none of them seems to know why or is willing to hypothesise about it in a research.

### ***6.6.2 Product market***

The view of the institutional body on the product market is that even though there are no data banks available for SMEs to access for information, alternative solutions exist, but SMEs are just not accessing it. This the institutional body points out is due to low education levels of entrepreneurs as well as low ICT literacy rates ubiquitous in the small businesses. SMEs, the institutional body, reckon, just do not seek information, and that is why they think there is none

available. For instance, there are no data banks available to SMEs, but the NBSSI has some useful information for SMEs operations, but most SMEs are not accessing them.

The SMEs, on the other hand, will agree with the views of the institutional body about the lack of data banks. Nevertheless, the view that ICT literacy rates are low among Ghanaian entrepreneurs and that most of them have low education will come across to most SMEs— at least the sample of this study—as an overgeneralization. On the view that SMEs have an attitude of not just do not seek information, most of the SMEs will respond that in fact, they do, but the information they need that will be of relevance to their operations is unavailable in the available alternatives provided by the institutional bodies, and so they must resort to doing their own primary research.

### ***6.6.3 Labour market***

Both the SMEs and the institutional body share the same view on the attitudinal problem about labour in Ghana. They both concur that people's attitude towards work is poor. The institutional body also seems to be aware of the salary problems that SMEs face regarding graduate employees, that is the difficulty in meeting the salary expectations of skilled workers. However, the detail on this view is where there is a difference in the SMEs view and that of the institutional body. SMEs divide their problem with the labour market into problems pertaining to skilled staff as opposed unskilled staff and point out further that it is only with skilled labour that they have problems with not unskilled labour. This distinction is not something the institutional body seem to be aware of. One can argue that from the institutional body's response, they are implicitly aware of this distinction, but this was not explicitly acknowledged by them. Considering that the distinction is very popular with SMEs, one would expect that if the institutional body was aware, they would have spoken about it, but this was not the case in the research.

### ***6.6.4 Capital market***

Concerning the capital market, SMEs do not seem to share the view of the institutional body that there have been noticeable improvements. For the institutional body, there have been noticeable improvements, but across the SMEs, no such improvement exists. What both agree on is the difficulty in accessing capital. Both agree that accessing external capital is a problem

for SMEs and that where the SMEs can access capital, it is usually short-term capital and not long-term capital that is available. But again, here too there are some differences in the details of the positions held by the two groups. For the institutional body, SMEs struggle to access capital because they do not have business records to present to financial decisions to assist them in making decisions on the capital SMEs seek. This does not seem to be the view of SMEs. For SMEs, it is about the cost of capital, that is the problem why they are not able to access funding from financial institutions. When both the institutional body and the SMEs speak of the capital market, they seem to only consider banks and microfinance firms as the only places SMEs can seek extra capital. Interestingly, other forms of financial institutions (e.g. venture capital firms) or even capital does not feature in their talks about accessing external capital.

#### ***6.6.5 Contract enforcement mechanisms***

The nature of contracts and agreements is something both the institutional body and the SMEs are aware of. Both parties are aware of and agree that the nature of contracts and agreements predominantly tend to be informal and unwritten. The institutional body is aware that adherence is a problem for SMEs, but the SMEs view on the matter is more detailed, and this is unsurprising as they are the ones that must deal with it. Non-adherence is not a problem; instead, partial adherence is. The partial adherence of contracts and agreements SMEs face amidst the often informal nature of their contracts is something the institutional body seems unaware of.

#### ***6.6.6 Informal institutions***

The informal institutions' aspect—i.e. norms and culture—of the institutional context are the aspects that the views of the institutional body proved particularly useful. This is because of what the norms and culture component look at; that is, practices and accepted codes of behaviour that can be deemed informal. One can anticipate that the SMEs will not talk freely about informal norms, practices and behaviour in their industry that they know of or are engaged into an external researcher.

SMEs pointed out informal operation standards and informal employee work attitudes and behavioural standards as the main problems. Under informal standards, practices like corruption and bribery and other dishonest practices in their industry were mentioned whereas,

on employee attitudes, dishonest and corrupt behaviour of employees that tend to plague SMEs were reported respectively. The institutional body seems to agree with the SMEs about all they point out here, but the institutional body added more by pointing out things like tax evasion and product quality standards among SMEs. They also added gender biases against women in some male-dominated industries, the negative stereotypes that people have about entrepreneurs—i.e. entrepreneurs tend to be those who have no success in formal education—and SMEs having no formal work hours.

The tax evasion among SMEs was not mentioned by any of the SMEs, and the same goes for the gender bias issues and negative stereotypes about entrepreneurs. About SMEs having no formal hours, this was not mentioned by any of the SMEs themselves, but after interacting with the SMEs, showing up at their premises and engaging with them, the researcher's observation was that this is more characteristic of less formalised SMEs than their formalized counterparts.

Table 6.3-Summary of the views of the SMEs and Institutional bodies view about the institutional context of Ghana

<b>DIMENSION OF INSTITUTIONAL CONTEXT</b>	<b>SMEs VIEW</b>	<b>INSTITUTIONAL BODIES VIEW</b>
<b>Regulation</b>	<ol style="list-style-type: none"> <li>1. Regulatory bodies exist in some industries. Other industries are unregulated</li> <li>2. There are trans-industry regulations, not industry-specific ones</li> <li>3. Weak regulatory enforcement</li> </ol>	<ol style="list-style-type: none"> <li>1. Regulatory bodies exist</li> <li>2. There are regulations (statutory and non-statutory)</li> <li>3. Weak regulatory enforcement</li> </ol>
<b>Product market</b>	<ol style="list-style-type: none"> <li>1. Lack of data banks</li> <li>2. Available data banks and alternatives of data banks do not have information relevant to SMEs needs</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of data banks for SMEs use. However, alternatives exist.</li> <li>2. SMEs do not access alternative data sources provided by institutional bodies</li> </ol>

	3. Primary research is the only alternative	3. SMEs do not seek information
<b>Capital market</b>	<ol style="list-style-type: none"> <li>1. No improvements in the capital market</li> <li>2. Difficult accessing capital</li> <li>3. Only short-term capital is available</li> <li>4. SMEs cannot access capital due to the high cost of capital</li> </ol>	<ol style="list-style-type: none"> <li>1. Noticeable improvements in the capital market</li> <li>2. Difficulty accessing capital</li> <li>3. Only short-term capital is available</li> <li>4. SMEs cannot access capital due to lack of records</li> </ol>
<b>Labour market</b>	<ol style="list-style-type: none"> <li>1. People have poor attitudes towards work</li> <li>2. No problems with unskilled labour</li> <li>3. Problem meeting the salary expectations of skilled labour</li> </ol>	<ol style="list-style-type: none"> <li>1. People have poor attitudes towards work</li> <li>2. SMEs cannot meet the salary expectations of graduate workers and/or skilled labour</li> </ol>
<b>Contract enforcement mechanisms</b>	<ol style="list-style-type: none"> <li>1. Contracts and agreements tend to be informal and unwritten.</li> <li>2. Partial adherence to contracts and agreements.</li> </ol>	<ol style="list-style-type: none"> <li>1. Contracts and agreements tend to be informal and unwritten.</li> <li>2. Adherence to contracts and agreements is problematic</li> <li>3. Norms of non-adherence common among SMEs</li> </ol>
<b>Norms and culture</b>	<ol style="list-style-type: none"> <li>1. Norms of informal operations and standards in the industry by other firms</li> <li>2. Informal behavioural standards of employee</li> </ol>	<ol style="list-style-type: none"> <li>1. Norms of informal operations among SMEs</li> <li>2. Misconduct and use of unacceptable operational standards in the industries' SMEs operate in</li> <li>3. Norms of gender stereotypes</li> <li>4. Informal employee work standards</li> </ol>

## 6.7. MAPPING DATA ON TO THE RESEARCH QUESTIONS

This section returns to the research questions, exploring the data for insights from the cases studied and mapping them unto the research questions. To recap the four research questions set for the thesis, they are:

1. How do small businesses sense and assess opportunities to reconfigure their business model?
2. How do small businesses initiate, coordinate and implement changes in their business model?
3. What is the nature of the BMRs process in small businesses, and how does the institutional context within which they operate influence the process?
4. How do small businesses assess the outcomes of the BMI process?

Insights from the data are mapped on to the research questions and how they meet the research objectives of the thesis is explained. This discussion will be done in the following sub-sections.

### 6.7.1. Research objective 1: sensing and response formulation mechanisms

Research objective one aimed to identify and explain the mechanisms SMEs employ to identify and assess triggers for reconfiguring their business model; how they formulate their response(s); and how they initiate and implement the changes in their business model.

It emerged from the data that this happens in two ways. One, sensing and response formulation is the responsibility of management and two, it is no one's responsibility in particular, and it remains unformulated until the need arises. An overview of this is in table 6.4 below:

Table 6.4-Types of sensing and response formulation mechanisms in SMEs

<b>TYPES OF SENSING MECHANISM</b>	<b>RESPONSIBILITY OF MANAGEMENT</b>		<b>UNFORMULATED – NO FORMAL SYSTEM</b>		
<b>CATEGORIES</b>	<i>Owner manager's task</i>	<i>Management's task</i>	<i>Instinctive/Reactive</i>	<i>Internal factors</i>	<i>External factors</i>

As seen in Table 6.4, where the sensing and response formulation is the responsibility of management, the way it is done depends on whether the SME has formal management in place

or management is solely by the owner-manager. If there is formal management in place, then this management takes on the responsibility of identifying triggers for change, formulating a response and then seeing to its execution. An example of a case where sensing and response formulation is the task of management is as follows:

*“The leadership of the business adjust and respond to the changes they see in the market. We look at what is going on and change, but sometimes although nothing may change in the market they will suggest the change.” (Managing Director, Business F)*

In some cases, it is not entirely up to management as views of staff are solicited too. An example is found in the case below:

*“We have a management team, so their job is always to look at what is going to affect our business and then bring it to the attention of the rest of us. I do same, and the others do the same too. It is our responsibility, all of us. Plus, we encourage ideas from our staff too. So, whenever anything comes up from any of us, management considers it and then it is a good idea we implement it. If not, then we let it go.” (Managing Director, Business M)*

In the case of a small business where the owner-manager shoulders the task of management, the owner-manager sees to identifying reasons for change, coming up with a response—this sometimes involves discussing matters with some key employees, but it is not always the case—and seeing to its execution (an example of this is the case of Business H).

On the other hand, in cases where the approach to sensing and response formulation is unformulated, no one, in particular, bears the responsibility for seeing to sensing and response formulation as it is dealt with as and when. The SME just goes about its business until there is a need for change, then they react to it instinctively. The owner-manager is still a key part in small businesses where a reactive approach is adopted. In the reactive approach, there is an unconscious reconfiguration of the business model going on all the time. An example is found in the following quote:

*“I mean when I notice a problem in the business that needs me to act, I take action. I do not sit down and wait for anything special to happen or anything of that sort. Once I see a problem I solve it. I do not wait for it to develop into something big. Like when I noticed people were working hard than others? I just introduced an allowance system. Things like that.” (Owner-manager, Business D)*

It must be added that the reactive approach to sensing and response formulation is more common in small businesses where there is no formal management in place, and thus it is a “one-man show” by the owner-manager.

Research objective one was met, but some more questions arose from the findings made. The study found out how the small businesses sensed change drivers and responded to them is not universal because there are differences in how the various SMEs go about it. In some SMEs, it is clear who is responsible for sensing changes and formulating a response. However, in some others, that is not the case. Sensing change and formulating a response is not anyone’s responsibility in particular, but yet they are still able to sense and respond to change when the need arises. Sensing and responding to change thus remains unformulated as there is no explicit “BMI leadership strategy” as Lingren (2012) also found out. There was no evidence from this research that the SMEs lack BMI leadership skills. All that can be said from the findings of this work is that there is no explicitly formulated strategy or even approach to BMI/BMR leadership in those SMEs whose sensing and response formulation remains unformulated. After sensing the need for change and formulating a response, the next step involves implementation, as discussed in the next sub-section.

#### **6.7.2. Research objective 2: Intra-firm BMR process**

The second research objective was to understand and explain the nature of the BMR process in small businesses and explain why it is so. After the small businesses sense the need for change and formulate an appropriate response, they proceed to implement change(s). However, the way this process unfolds is different across the SMEs. First of all, the way the implementation is carried out depends on the type of change; whether the change is technical or non-technical. If it is a technical change, a more cautious and planned approach is adopted. With the technical change, the small businesses will usually research, seek advice, enquire about the financial costs involved in the change, talk to their staff about it and then once all that has been adequately done; they proceed to execute. This kind of approach is more common in the small businesses with formal management, but some others where no formal management is in place can be noted as doing the same. An example of the latter case is as follows:

*“Ok, first of all, if the change is a technical change what we do is to get enough knowledge and then technical advice...Also, when we decide to make changes, we try to figure out whether we can afford it. Whether it is a change where we must buy*



*some things and how it is going to affect our 3-month operation, and then I discuss it with the staff.” (Owner-manager, Business A)*

In the case of a non-technical change, it is usually straightforward with less deliberation on it compared to the technical change. This is because the small businesses deem non-technical changes as not having catastrophic effects, so they tend to proceed with less caution compared to the technical type of change.

Although making the technical and non-technical distinction before implementing changes is key, making that distinction before making changes is not the norm. In most cases—like in the case of Business B, D, E, G, H, I and L—the small businesses just identified the need for change and proceeded to implement the change without explicitly distinguishing whether the change was technical or non-technical. In such cases, the approach to change is either organised, unmethodical, or a mixture of these two. This is a matter of degree rather than it being dichotomous or an either-or situation. The small businesses with formal management in place tend to be more organised in their implementation, whereas the ones with only an owner-manager in charge tend to be more unmethodical. In the former case, the process is very centralised with a top-down approach. An example of a more organised approach is as follows:

*“When things are not going well, or whenever the business is in trouble, the board sits and discuss things and decide what the way forward will be for the business. Then the rest is up to the rest of us to execute... In such meetings, a way forward is discussed and decided on which then has to be implemented accordingly. I am the one with the guys here, so I have to make sure they understand exactly what they have to do to make it possible that we achieve what the board have discussed” (Managing Director, Business C)*

Most of the small businesses (e.g. C, D, F, G, J, K, L and M) fall between these two extremes where some aspects of their approach to implementation are organised while other aspects are unmethodical.

Research objective two was partially met. This is because the nature of the BMR process was discovered, but reasons as to why it is that way did not come out clearly. Part of the reasons for this is because although the nature of the process is known to the small businesses, the content of the process itself is tacit and implicit. That is, they just do it, but as to how it is precisely done remains in the “heads” of the key decision-makers.

### **6.7.3. Research objective 3A: BMR context**

The first part of the research objective three was to understand the institutional context within which BMR takes place and how this institutional context—which has been framed and discussed in sections 2.6 and 6.6.4—influences BMR in small businesses. The following sub-sections explain the institutional context within which BMR takes places as well as its influences on BMR in small businesses.

#### *6.7.3.1 Influence from Regulatory Systems*

Concerning the regulatory context, where there exists a regulatory body, the small businesses adhere to these regulations or any existent ones to the degree they are enforced. In most cases, there is either no regulatory body, or there are regulations in place that affects the small businesses, but there is no one regulatory body that can be said to be the industry’s regulator. In such cases—where there is no regulator, but there are regulations—the small businesses adhered to the regulations to the extent that it was beneficial for them and no enforcers were coming around to ensure their adherence. An example is captured in the quote below:

*“There are no regulations except with cases like food adverts where we need to do some sort of clearance from the FDA (Food and Drugs Authority) concerning what we say in the advert” (Managing Director, Business C)*

Some regulations constrain the small businesses from doing well, whereas others are conducive for them to perform better. Since the small businesses have no control over which regulations they will face and how it will influence them, they do their best to get along with whatever regulations they face with an improvisation mindset—that is they follow whatever regulations are available. SMEs admit the potent influence regulatory context they find themselves in and how powerless they are altering them, and so they just endure it. If the regulations constrain them from making beneficial changes to their business model, then they will not do it. If it is conducive, then they will. That is what emerged from the data.

However, considering that enforcement is weak in the Ghanaian context, it can be argued that where the regulations are not conducive, not only do SMEs abandon their plans for change but they also seek out alternative ways to implement them even if it will mean going against the law. Furthermore, why will they do that? Because they can get away with doing it; due to weak regulatory enforcement in the Ghanaian institutional context. That leads us into the issue of

enforcement. Enforcement is little to almost absent. So, the small businesses do as is best for them and try to stay within the remits of the law.

Government policies, in general, affected how SMEs went about making changes to their business model. These government policies are trans-industry policies that demand small businesses to adapt their business model, and this is usually non-negotiable. However, with enforcement being an issue, it is arguable whether the small businesses are influenced by these trans-industry changes at all when making the business model changes. Nevertheless, it can be said of the formalised small businesses that they tend to be the ones that adhere or adapt to such policies as compared with their not-so-formalized colleagues; for the latter group, it is very debatable and hard to tell if they do.

The goal of this section of the research objective was to figure out how the regulatory systems influence small businesses, and this was achieved partially. It would have been achieved fully had the small businesses studied in the research all been from the same industry. This is because, the findings of how the regulatory systems influence the small businesses indicate that some small firms are affected more by their regulatory environment than others; which is due to the fact that the presence of institutional bodies and regulations differ across the various industries. In a nutshell, the influence from the regulatory systems, it can be argued, would have come out better had all the small firms in the research been from the same industry, for instance. That way, industry differences and regulatory differences across the various industries could have been neutralised.

#### *6.7.3.2 Influence from Product Market*

Influence from the product market is one area that small businesses seem to be very much aware of and this is unsurprising as the product market concerns the customers and/or potential customers of the SME, and the product information provided by the small firms to target their respective markets. Only in two cases, Businesses I and L, did they seem to have information available to them and this is often what is available online; but the information being available online is the exception, not the norm. The norm for these SMEs when it comes to gaining information is that they will have to gather it themselves through their primary research.

This simply means going “out there” to get it or finding out whatever information they want from whatever sources available to them that they can access. Also, lack of data repositories

and the dearth of information mean small businesses have to resort to primary research. Those very few ones that can afford it will use consultants as an alternative for getting information, but those that cannot afford consultants will have to make do with whatever information they can ascertain through their primary research, regardless of how little this may be. This component of the research objective was achieved as the findings reveal how small firms deal with the influence springing from the voids in their product markets.

#### *6.7.3.3 Influence from Labour Market*

Finding and remunerating adequately skilled staff is a challenge for most of the small businesses. Only four of the small businesses SMEs (i.e. Businesses C, F, M and N) expressed they were financially capable of recruiting and remunerating skilled staff. The other ten do not. This may be because the others do not have adequate finance to do so and so even if they are able to do that they struggle to. In such situations, the small businesses improvise and stick to the next best alternative they can afford. This next best alternative is usually someone who will do the job as well as they can and is willing to accept what the small business can afford. It is also commonplace for the small firms to find skilled staff, especially graduates who are skilled and well educated but not practically capable enough to fit in the operations of the small businesses. In such cases, they have to provide some on the job training and pay such skilled staff less, but this has been problematic for the small firms. Small firms are reluctant to provide on the job training while these skilled staffs have been reluctant to accept the amount of salary they are offered. Small businesses are reluctant to settle for skilled labour with inadequate practical ability whereas skilled labour with the practical ability the small firms are after are reluctant in accepting the kind of money the small firms are willing to pay; this is a constant problem small firms have to contend with.

Unskilled staff pose little challenge to SMEs as the supply for unskilled labour always exceeds small firms' demand for it. Remunerating such unskilled staff and keeping them is not problematic at all for the small firms, they instead are the ones that have to fend off a lot of job applications and enquiries from unskilled staff. There is, however, a problem that small businesses face with unskilled staff. That is unprofessionalism in their work attitude. The following quote from Business A on how unskilled workers approach safety standards will illustrate this:

*“I mean someone is doing fumigation, not wearing gloves, wearing slippers, these things you are not supposed to see them in the industry, but you still do. I mean somebody can be doing fumigation or spraying and there will somebody sitting close somewhere around and be eating. The regulations and practices and the safety standards are there, but you know people do not always stick to them. Sometimes they are like, “come on let us do it like that nothing will happen” or “not everything in the books are true”. So, you see some of these things, and it is just like that.” (Owner-manager, Business A).*

Unprofessionalism and lack of compliance with standards of practice were thus reported as being common among staff, usually the unskilled ones. Overall, there seems to be a negative perception by the participants about their employees and potential employees’ attitude towards work. Decision-makers in some of the small businesses (i.e. in Businesses B, E, G, H and N) complain about people being lazy and not wanting to work hard enough for the monies they are being paid. This influenced how they, in turn, approach employing people. The research objective concerning the influence of the labour market was achieved as the findings revealed that the problems SMEs have are more with skilled labour as opposed to unskilled labour.

#### *6.7.3.4 Influence from Capital Market*

Influence from the capital market is evident to small businesses, but the small firms’ overall awareness and knowledge on the capital market are skewed towards banks and microfinance institutions. This could be because Ghana’s capital market is not as developed, making the banks and microfinance firms the financial institutions' small businesses know about the most as they are the most common.

Small businesses have a negative perception about access to external capital, and most of them have either had a negative experience in trying to access loans or the interest rates in the capital market have dissuaded them from even trying. Because of that, difficulty in accessing capital is a common complaint in these small firms. Even those three firms (i.e. Business E, F and M) that have been able to overcome the access to capital problem due to the support of key partners or grants or even high profitability still maintain, when asked, that access to capital is hard.

Difficulties in accessing external capital has influenced small businesses to be self-reliant when it came to capital. There seems to be a correlation between small businesses preference for internal funds and the difficulty in accessing capital. It is either the SME will rely on its reserved

profits, or the owner-manager will inject his/her funds, or the SME will look to friends and family for loans—this is usually with small firms where the owner-manager is the only manager without any formal management team in place. Talks about accessing external capital are always brushed aside by the small businesses. So oftentimes, capital tends to constrain most of the small businesses when making changes. Capital is one of the most common constraints that restrict small businesses when they want to reconfigure their business model. It always seems to be the case that small businesses do not have enough capital to fund the changes they want to make to their business model. Indeed, very few small firms have been able to overcome the capital problem while reconfiguring their business model; and these anomalies were only able to do so due to the support they had from their key partners. An example of this is the case of Business F getting trade credit from its key partner in order to be able to delay payment of stock purchased. Thus, being freed from having to seek external funds to solve its negative cash flow burden. Another example is Business E having its key partner, an international laboratory, render services and demanding payment only at the end of the year. Such actions by key partners free up the small business from cash flow woes, which goes a long way to enhance its ability to make changes to its business model. The research objective concerning the influence the capital market has on BMR was achieved as it reveals that all but two of the fourteen small businesses studied struggle with accessing capital when making changes to their business model.

#### *6.7.3.5 Influence from Contract Enforcement and Mechanism*

The non-usage of written contracts and the pervasive use of verbal and rudimentary written contracts in most of the small businesses have made adherence to contracts and agreements a burden for the small firms. The problems around contract enforcement faced by small businesses are likely to be because of three reasons. One is because the nature of the contracts used by SMEs tends to be “gentleman's agreements” that have no legal backing to them. Only the goodwill of the parties to the agreement is at stake in such agreements. Two is because of the weak regulatory enforcement in the country. Parties to agreements have a perception that legal action is not likely to be taken against them if they breach the terms of the agreement. The third reason is the cumbersome procedures, and red tapes involved in seeking legal action in Ghana dissuade small businesses from seeking legal action. Often, small businesses will instead hope and wait for parties to an agreement to honour their commitments rather than seek legal action. An example is Business A whose payment terms to a contract were violated over

six months ago, but the owner-manager prefers to wait on the other party to honour their commitments rather than seek legal action.

With the exception of Businesses C, D, I and J, oftentimes the rest of the small firms do not know what to expect in contracts because of issues surrounding adherence on the part of their customers. For a very few of the small businesses (i.e. Businesses C, D, I and J), adherence is not a problem. Nevertheless, for the majority of the small firms, contracts and agreements are not being adhered to, or they are only partially adhered to. In fact, partial adherence is regarded as the norm in most of the small firms (eleven of them), so much so that when contracts and agreements are made it is anticipated by the small businesses that they will be partially adhered to by their customers. According to the experiences of small businesses, their customers tend to adhere to some aspects of the contracts and violate other aspects. The usual aspect of a contract that is frequently violated is the part that has to do with payment. This partial adherence makes enforcement a problem. However, overall, small businesses find taking legal action to enforce contracts as not being a good option. This, as was mentioned earlier in this sub-section, is because most of the law enforcement procedures are cumbersome and riddled with red tapes.

This component of the research objective was achieved, considering the insights it contributed towards the study. It was discovered that the nature of the contracts small businesses use makes contracts enforcement burdensome for them and so they tend to operate with expectations of non-adherence or partial adherence to contracts they enter into; all this influences them when reconfiguring their business model.

#### *6.7.3.6 Influence Informal institutions*

Small businesses find themselves in a context where informal and unprofessional behaviour is pervasive, and oftentimes considered the status quo. Cutting corners around work, paying bribes, doing whatever it takes to get on with business even though it may be deemed as corrupt and dishonest are normal and this was mentioned by five of the small businesses (i.e. Businesses A, B, E, F and L). These are informal norms small firms are embedded in and thus have to live with it. They find these informal norms within their own businesses, their customers, competitors, regulators and almost everywhere their operations take them. The informal norms some of the small firms in this study (e.g. Businesses A, B, E, F and L) complained about most were the ones by their own employees, customers, and competitors. How do they deal with it? The encounter with one of the owner-managers will help illuminate

this point. The owner-manager from Business B explained how they deal with these norms in a very insightful way. When asked about informal norms in their industry and how it influenced them in their quest to reconfigure their business model, the respondent, smiled, looked away, and said the following:

*“I do not know how to answer that question (\*smiles and look away). People do what they have to do to get by. Everyone in business wants their business to do well, and they do what they must do. For me, what I can say is I do my best and work hard with my employees. For others, I guess they will have to answer for themselves.” (Owner-manager, Business B)*

One thing that was common among all the SMEs when asked about informal norms and practices that exist in their industry and how they influenced them was that they all seemed to complain about the problem being “out there”. Their explanations suggest that they were poor victims of the informal norms and practices by others, and not them. For the small businesses, informal norms and practices surrounding them and their operations are not out of their own doing, but rather they exist out there, and they are forced to live with these.

These foregoing discussion on informal institutions indicate the potency of informal institutions and their influence on the operations of small businesses as well as how they reconfigure their business models. For the research objective 3A, this means that although the influence of the informal institutions on the small business was discovered, there is still more that does not feature due to the nuanced, dynamic and complex nature of interrelationships at play. An ethnographic or longitudinal study about the influence informal institutions have on BMR will be interesting as it could delve more into the informal aspect of the institutional context in a way that was beyond the methods of this study. This component of the research objective was achieved in the scope of the study. However, more questions were raised as a result of that.

In concluding the discussion of research objective 3A, the institutional context influences the small businesses in a very dynamic way, and there is a complex interplay between the dimensions of the institutional context and the activities of the small businesses. On the one hand, the various dimensions of the institutional context exert some influence on the small businesses. On the other hand, the various dimensions of the institutional context influence the other dimensions of the institutional contexts and then cause the other dimensions to change too. This creates an interplay of dynamic and complex relationships between the small firms, their institutional context and the various dimensions of the institutional context. In fact, the



way dynamic relationships of the institutional context are presented here makes it look less disordered, cumbersome and nuanced than it is in reality.

#### **6.7.4. Research objective 3B: enabling factors**

The second part of the research objective three was to identify, understand and explain the factors that enabled small businesses to reconfigure their business model as well as endure any challenges they encounter while doing so. Several enabling factors emerged from the data, and they were mainly internal than external to the small businesses. The only enabling factor that is external is the support of a key partner; the rest were all internal. Support from key partners as an external enabling factor is key to the small businesses ability to make changes. Where the small business had a key partner, it was noted that they contributed some key resource the small businesses itself lacked while reconfiguring their business model. Alternatively, the key partners constantly provided the small business with some key resources by their being partners, and this resource was key to the SMEs overall operation and competitiveness.

The internal factors can be further broken down into resources, management, vision, and operational approach. Resources consist of the small businesses own staff, their finance and the key resources—which varies from firm to firm depending on their industry—that drive their business model. Management is also an integral aspect of the internal resources of small firms. In the small businesses where there is no formal structure, and so the owner-manager is undertaking the management of the firm, certain attributes pertaining to the owner-manager him/herself is what enables the small business to make changes. For instance, the owner-manager's character and resilience, industry experience and knowledge or even “family support” of the owner-manager. These attributes of the owner-manager, while the SME made changes were key enablers for the changes they made, particularly where the owner-manager was the sole manager of the business.

In the firms with formal management, the combined ability of management, their experience and managerial capability were what enabled the small business while they reconfigured their business model. In fact, whether the small business is solely led by the owner-manager or there is formal management in place, knowledge and industry experience of management seem to be a key enabling factor when changes are being made to the business model. Another key aspect of the internal enabling factors is the vision of the small business to grow, as seen in six of the firms studied (i.e. Businesses A, B, D, G, K and N). Almost all of them seemed to harbour a

growth ambition, which served as an enabling factor and urged them on while they reconfigured their business model. When things were tough, particularly while having to reconfigure the business model, the SMEs held on to this growth ambition to endure and persist. The last aspect of the internal enabling factors is the operational approach of the SME. Small businesses tend to imitate other firms as a way of coping with disruptions they have to undergo while reconfiguring their business model. If they are at their wit's end, they will copy another firm who has done it successfully. That was one way of coping. However, the main thing SMEs did concerning their operational approach was to adopt an improvisation culture. That is, whenever they were reconfiguring their business model, and they faced challenges they could not surmount, they will just improvise and get along as best as is practical. This improvisation approach to things was widespread among the SMEs, and two examples are presented in the following quotes:

*“For instance, the internet if it is not working, there are other information areas that we can get information from. For instance, we can get information from cable networks, that are all around the world, you must be hooked to one of them so that you can get to see what is going on around the world and so we make use of that. And again, when it comes to the financial area we try our best to use internally generated funds, we cut down our costs and expenditure and use internally generated funds as a second means of financing whatever change that we want to implement.” (Managing Director, Business L)*

*“Also, in Ghana, you know we lack certain things, like no address systems, less online trading and people buying into and trusting electronic payments. So that makes it quite tough too. Because these are impediments that in your way and are hindering you as a business but there is little to nothing that you can do about it. So, you just have to find your own solutions and ways around it, but this is not always easy.” (Managing Director, Business M)*

These enabling factors do not stand alone; it must be added. One will find that in an SME, there is a mixture of these present in any one firm. An overview of the enabling factors is given in Table 6.5 below.

Table 6.5-Factors enabling SMEs to innovate their business models

<b>TYPES OF ENABLING FACTORS</b>	<b>INTERNAL TO THE SME</b>				<b>EXTERNAL TO THE SME</b>
<b>CATEGORIES</b>	<i>Resources</i>	<i>Management</i>	<i>Vision</i>	<i>Operational approach</i>	<i>Support from key partners</i>
<b>EXAMPLES FROM THE DATA</b>	Prepaid customer order, Financial support from subsidiary	Industry experience of owner-manager and strategic partner, Management's transparency towards employees	Ambition to build a reputable brand that locals will aspire to work for	Improvisation approach to doing things. Imitate successful global brands	Strategic partner providing credit supply, Strategic partner providing services and postponing receipts of payment

Considering the findings just presented in this sub-section, a summary of which is in Table 6.5, research objective3B was met.

#### **6.7.5. Research objective 4: Results assessment mechanism**

The way small businesses assess the outcome of changes made to their business model constituted the fourth research objective. This was to identify the approach small businesses use to assess the outcome of the BMR. It emerged from the data that SMEs have a wide array of measures they use, but this can be categorised into internal and external measures. The only external measure small businesses use to evaluate the outcome of BMR is the feedback of their customers. If the change brought about positive feedback from customers, it was good and along the right lines. If not, then the opposite was considered to be the case. The internal measures were the SMEs vision, revenue, sales and type of change. Where there was a vision for the SME, it always served as a yardstick for assessing the outcome of BMR. Being driven by the vision, the small businesses always endeavoured to reconfigure their business models in a way that will draw it closer to or help it achieve its vision. An example is the case of Business B, who had a growth ambition for the firm, and so all the BMR efforts were aimed at realising this vision. Revenue being generated after BMR is one of the most common ways of assessing the outcome of changes made to the SMEs business model. The assumption here is that if the

changes made are good changes, then it should reflect in the financials. Sales volume was also a common way of assessing the outcomes BMR. Two examples are provided below:

*“The sales we make helps us to know. If things are going well, we see the sales being high, if not, then they are low.” (Owner-manager, Business H)*

*“And the last one, the results assessment thing. I mean when every business is doing well, you see the money and contracts coming in. Otherwise, we would have closed and gone home.” (Owner-manager, Business D)*

In some cases, neither vision, sales nor revenue was adequate in assessing changes. So, the small businesses would assess the outcome of the BMR depending on the type of reconfigurations that were made. If the change was a technical change, then there should be some sort of technical assessment. If not, then the performance of the business, measured by sales, revenue or customer feedback was typically used.

Although most of the small businesses tended to use only revenue for assessing results of BMR, the common thing was that small businesses would combine more than one mechanism. Revenue and customer feedback were the most common combination in this regard while assessing outcomes of BMR.

Table 6.6-Results assessment mechanism

<b>RESULT ASSESSMENT MECHANISMS</b>	<b>INTERNAL</b>				<b>EXTERNAL</b>
<b>CATEGORIES</b>	<i>SMEs vision</i>	<i>Revenue</i>	<i>Sales</i>	<i>Type of change</i>	<i>Customer feedback</i>

<b>EXAMPLES FROM THE DATA</b>	How close changes made are to the set vision of the company	How much profit or loss is made as a result of changes made	Number of orders and sales volume after changes are made	Nature of change dictates the measurement results (e.g. if a mine chemical changes composition of their supply they assess its success based on some laboratory test)	Feedback from customers and how quick potential customers are gained after the changes are made

The findings concerning research objective four revealed how small businesses assessed the results of BMR, and on that note, that research objective was fully met.

## **6.8. CONCLUSION**

In this section, the data collected for this research was analysed following the data analysis approach spelt out in chapter four. The chapter opened by giving an overview of the national context of the interviewees by describing the institutional context of Ghana. The institutional context was given from the points of view of the research participants to complement the discussion of the practical context of Ghana given in section 2.7 under the literature review. This laid the foundation and background against which the data was analysed. Data from the participant institutional bodies was analysed after which a cross-case data analysis on the participant SMEs was carried out.

To conclude the chapter, the various findings that emerged were presented, and the data was mapped against the research questions driving the study. In doing so, there was a consideration of how the data met the research questions and whether or not the research objectives were met fully or partially. The next section will summarise the discussion of findings that emerged from the data analysis in order to identify the contributions of the study. This will also necessarily indicate the limitations of the study and avenues for future research.

## **CHAPTER 7: DISCUSSION AND CONCLUSION**

### **7.1 OVERVIEW**

In this section, the research questions will be evaluated, and an overview of the findings from the research will be discussed as well as how the research objectives were met. Once that is done, the contributions to knowledge from this study will be presented. Afterwards, the limitations of the study and suggestions for future research will be discussed then recommendations to policy and practice will be made. The last sub-section in this chapter will then summarise and give an overall conclusion to the study.

### **7.2 MEETING THE RESEARCH OBJECTIVES**

The research questions concerned three major areas, that is, sensing and response formulation, the nature of the BMR process, and the result assessment mechanisms in SMEs. Sensing and response formulation is concerned with the antecedents of BMR. The objective here was to investigate and identify how the SMEs lookout for triggers that necessitate changes in their business model and how they assess these triggers to formulate a response. The second area of the research question was about the BMR process. The focus here was to look into how the BMR process is like for SMEs, from initiation to implementation, after sensing and formulating a response. Lastly, when the business model is reconfigured, how do the SMEs assess the outcome of the BMR. These three areas are what gave rise to the four research questions of the study. The following sections will evaluate the research questions and present the findings under each based on the research.

#### ***7.2.1 Research objective 1: Sensing and response formulation mechanisms***

The first research objective looked at the sensing and response formulation in the small businesses to identify and explain the mechanisms small businesses employ to identify and assess triggers for reconfiguring their business model; how they formulate their response(s); and how they initiate and implement the changes in their business model. The findings show that small businesses either adopt an unstructured approach to sensing and formulating a response BMR or, it was the responsibility of management—similar to the findings of Pohle

and Chapman (2006) whose research indicated that innovation in the business model is the responsibility of CEOs or leaders in the firm.

Also, it must be pointed out however that there are antecedents that influence small businesses to change their business models, and several scholars have commented on this (e.g. Markides, 2008; Casadesus-Masanell and Ricart, 2010; Amit and Zott, 2012; Mitchell and Coles, 2003; Aspara, Hietanen and Tikkanen, 2010; Voelpel, Leibold and Tekie, 2004). The findings in this work suggest that the factors influencing small businesses to reconfigure their business models are two-fold, internal and external. Concerning the sensing and formulating mechanisms, the internal factors, and external market and industry-related factors have been suggested earlier by some scholars (e.g. Amit and Zott, 2012; Casadesus-Masanell & Ricart, 2010). Similarly, Aspara et al. (2010) and Mitchell and Coles (2003) argue that remaining competitive in the product/market segment and responding to existing competitors and new entrants influence firm operations. The internal factors that cause small firms to reconfigure their business models (i.e. vision-related, business performance-related and innovation-related) although different in detail is similar to what is found in the literature. It is worth noting that the absorptive capacity (Cohen and Levinthal, 1990) of the small businesses—which will fall under the internal sensing and response formulating mechanism—is key to its sensing and response formulating mechanisms.

It is the hard infrastructure-related factors—which are external to the small businesses—that were not previously suggested in the literature on the antecedents provoking business model changes. The context that the small businesses in this research find themselves is one where the hard infrastructure is absent or underdeveloped, and so it impedes their operations in a way that requires them to reconfigure their business models in response. That this has not been highlighted in the literature on the antecedents could be due to the fact that most of the extant research focuses on developed countries where infrastructural developments are well developed, and so the constraints they put on firms in such contexts are absent or insignificant. The reason why the antecedents of BMR are important is that these factors are not obvious, so it is up to the firm to figure them out and act on them. Put differently, the factors that necessitate BMR exist, but they must be sensed and responded to by the firm.

### **7.2.2 Research objective 2: BMR process**

The second research objective was to understand and explain the nature of the BMR process in small businesses and explain why it is so. Small businesses, after sensing the need for change in their business model, must formulate an appropriate response and proceed to implement it and how the process in small businesses depends on two aspects. One is the nature of the change, and two is the existence or non-existence of a formal management team in the small business.

The findings from this research were that in small businesses, the nature of the BMR process depends on whether the change to be made in the business model is technical or not. This distinction is crucial as technical changes tend to be costlier with significant consequences; thus, the small businesses are more cautious and methodical when approaching these kinds of changes. In cases where the nature of change is non-technical, implementation is not unmethodical per se. Instead, the approach to change could be either organised or unmethodical or a mixture of these two. In most scenarios, the technical or non-technical distinction is not made; the small businesses just get along with it. However, in such situations, the data from the research revealed that the way the BMR process unfolds is different in small businesses with formal management in place compared to those without one. In such cases where there is formal management in place, the BMR process tends to be more organised and methodical with a top-down approach as decision-making power in such firms usually is centralised at the top. Where the technical/non-technical distinction is not made, the BMR process in such small businesses is akin to the discovery-driven planning approach of McGrath and MacMillan (1995). In discovery-driven planning, writes McGrath and MacMillan (1995), firms operating in environments characterized by much uncertainty do not do things according to a specific plan, but instead, they focus on achieving set milestones and making needed adjustments based on new information.

The small businesses in reconfiguring their business models are not doing trial and error; neither are they following a specially formulated plan. Instead, they are continuously making necessary changes and adjustments to their business model based on the situation they find themselves in. They do that, and based on the outcome they either make more changes, or they keep things as they are until another change is necessary; it is a continuous process of reconfigurations as they go along. Such continuous reconfigurations in the firms studied in this research are similar to the findings of Peprah and Giachetti (2017) in their research on newly



established developing country-based firms. According to Peprah and Giachetti (2017), business model adaptation to institutional voids in a developing country involves four phases consisting of clarification phase, legitimacy phase, localization phase and consolidation phase; and adaptation to the institutional context. These four phases constitute what happens in the businesses operating amidst institutional voids as opposed to mere imitation (Peprah and Giachetti, 2017).

### ***7.2.3 Research objective 3A: Contextual influence on BMR***

Institutional contexts differ, and the institutional context in a developed economy will differ from that in the developing economy. Thus, the institutional strategies—i.e. the comprehensive set of plans and actions aimed at navigating the institutional context to obtain or retain competitive advantage (Marquis and Raynard, 2015)—for navigating these different institutional contexts will differ also. The first part of research objective three revealed how the institutional context of the small businesses affect how BMR occur in small firms. The institutional strategies identified in existing literature (Doh et al., 2017; Marquis and Raynard, 2015; Khanna and Palepu, 2010; Khanna, Palepu and Sinha, 2005) are categorised according to markets or economies; and they are not mutually exclusive. So, in the discussion to follow, some of the institutional strategies to be discussed might appear in different markets (e.g. developed markets) and not only in markets with institutional voids (i.e. developing markets).

Concerning the regulatory context, the influence of weak regulatory enforcement came out strongly. Weak regulatory enforcement is a feature of developing economies (Khanna and Palepu, 1997; 2010) and that was also observed in the institutional context of this research. Both the small businesses and the institutional bodies concurred that regulatory enforcement in Ghana is weak, and this weakness influenced the way the small firms reconfigured their business model. Regulations more often than not are non-negotiable, and so they must be adhered to in situations where they exist. In the case of Ghana, it is not that regulations do not exist, they do, but they are just not being enforced; enforcement is absent. That being the case, the small businesses must fill this gap and act in ways that will enhance their survival and operations while they reconfigure their business model. Marquis and Raynard (2015) in their review of institutional strategies' organisations use in emerging markets pointed out that larger firms direct their corporate political activity (CPA) to react to, anticipate, defend against, or

proactively shape public policy and political demands. However, the organisation they implicitly speak of are larger firms.

The small businesses in this study did not show any signs of CPA activity to change the weak regulatory enforcement they found themselves in. They just accepted the situation—i.e. weak regulatory enforcement— as a given, which is one way of dealing with institutional voids (Khanna and Palepu, 2010). Khanna and Palepu (2010) point out that companies can take the institutional voids they encounter as a given, or they can actively engage with the institutional context by filling the void. The small businesses, finding themselves in situations where regulations exist, but they are not being enforced, accepted the weak regulatory enforcement as a given without trying to change them. However, in situations where there were regulations, and they were being enforced, the small firms adhered to them. Implicit in this approach by the small businesses is the view that their business models and/or their businesses are resilient enough to cope with the institutional voids they find themselves in. This implicit assumption lends some credence to the notion that BMR stems from resilient organizations, and that BMR represents one possibility of a resilient response to environmental turbulence (Buliga, Scheiner and Voigt, 2016).

Where there is no readily available and reliable essential market information and formal rules are not established, organisations face additional uncertainty and challenges (Ault and Spicer, 2014) in the product market and firms in such situations have a range of strategies they can adopt to navigate these product market voids. In the case of the small businesses, they had to rely on themselves to find their solution. The dearth of information is a significant void in the product market that the small businesses in this study encounter, and when dealing with these voids, the small businesses must “go out there” to find the information they require themselves. In some rare cases, especially in the case of very formalised small businesses, they use the services of consultants to overcome the problems dearth of information presents.

External intermediaries (e.g. market researchers) are lacking or underdeveloped in the Ghanaian context, and so the small businesses respond to these institutional voids by employing what Doh et al. (2017) refer to as the internalising strategy. That is, they adapt “their business model to local conditions by internalising functions that would otherwise have been accomplished by external intermediaries” (Doh et al., 2017, p.296; Khanna and Palepu, 2010). Although the prevailing trend observed when SMEs faced voids in the product market was to reconfigure their business models to internalise the activities, they cannot find outside whereas

some few of the small businesses chose to use consultants and collaborate with them to achieve this. Khanna and Palepu (2010) point out that another strategy that firms can employ in responding to institutional voids is to decide whether to compete alone or collaborate; and for some small businesses' collaboration with others, such as consultants is how they respond to voids in their product market. Although the institutional strategies pointed out by Khanna and colleagues (Khanna and Palepu, 2010; Khanna, Palepu and Sinha, 2005) and Doh et al. (2017) are strategies that MNEs and international businesses are known to use. It is interesting to note that this study found that small businesses apply similar institutional strategies.

In the face of demographic challenges such as lack of skilled labour in emerging markets, Marquis and Raynard (2015) found in their review that larger firms combat these problems by investing heavily in employee training and development, bringing in overseas experts and sometimes making a location-based decision driven by the availability of skilled labour. Bringing overseas experts is not an option many small businesses can afford, and for the small businesses in this study, it was discovered that when they cannot attract and remunerate the skilled labour, they go for the next best alternative—i.e. which is a person skilled just enough and is willing to accept what the SME is willing to pay. This strategy by the small businesses to navigate the voids in their labour market is similar in part to the institutional strategy Khanna, and Palepu (2006) pointed out about how emerging market giants leverage on their familiarity with the local labour market to gain competitive advantage. Local firms operating amidst institutional voids in developing markets leverage their familiarity with labour markets and exploit their knowledge about the local talent market to gain competitive advantage (Khanna and Palepu, 2006) in ways that non-local firms are unable to match. However, the findings in this study tell a slightly different story. The small businesses do have deep knowledge about the local labour market and are able to use it in meeting their demands for unskilled labour without problems. However, when it comes to skilled labour, they are not able to do so because although they are familiar with the labour market and have in-depth knowledge about local skilled talent, they cannot meet the remuneration demands of potential skilled labour. Thus, they must resort to making do with whatever personnel is good enough to meet their business needs. This strategy adopted by the small businesses in dealing with labour market voids can be viewed as a case of entrepreneurial bricolage—i.e. “making do by applying combinations of the resources at hand to new problems and opportunities” (Baker and Nelson, 2005, p.333)—amidst institutional voids with resource constraints (Mair and Marti, 2009).

Difficulty in accessing capital is a common problem small businesses face (Storey, 1994; Curran and Blackburn, 2001; Jones and Tilley, 2003) but this conventional view cannot be generalised across the cases studied in this research as some of the small firms did not have capital challenges. For those that had problems accessing capital and navigating the voids in the capital market, two institutional strategies were common among them, namely: self-reliance and reliance on key partners. When some of the small businesses need capital and cannot access it due to voids in the capital market, they choose self-reliance; that is, they make do with whatever capital they have. This again can be viewed as an instance of entrepreneurial bricolage in navigating the institutional voids the SMEs are faced with in their capital markets (Baker and Nelson, 2005; Mair and Marti, 2009). Some have met their capital demands by relying on their key partners. This approach is like the resource dependence approach, which is a type of the relational strategy firms can adopt in navigating institutional voids (Marquis and Raynard, 2015). A critical dimension of an organisations institutional strategy is about how it interacts with and manages important “referent audiences” (Marquis and Raynard, 2015)—i.e. those with vital resources that the firm needs—as through effective management of relationships with stakeholders an organisation can enhance its competitive position in the market (Heugens, van den Bosch and van Riel, 2002). Thus, through their relational strategy, firms can identify external actors that control critical or scarce resources and leverage such relationships to benefit from the resources that these external actors possess (Marquis and Raynard, 2015). The small businesses in this study that has relied on their key partner's financial power to overcome the voids in the capital market have adopted this institutional strategy.

Concerning the contract and agreement enforcement mechanisms, small businesses have not developed “infrastructure” to deal with it. They cope with the uncertainty around contract enforcement and hope for the best; another case of entrepreneurial bricolage, it can be argued. Contract enforcement is weak, and the small businesses cannot internalise infrastructure to solve that problem, so they just endure it. For foreign firms operating in a host country, an institutional strategy to respond to institutional weaknesses in the functioning of the court system and contract enforcement in one country is by explicitly drawing upon the superior court-based institutions of another country (Doh et al., 2017). This approach, called “institutional borrowing” by Pinkham and Peng (2016), refers to the explicit use of institutions from outside the domestic institutional environment. The scale and scope of small businesses mean they cannot adopt the institutional borrowing strategy. Even the small businesses in this study that operated internationally did not adopt this strategy in response to their contract

enforcement challenges. Marquis and Raynard (2015) point out how large firms can develop intermediary institutions and processes to cope with uncertainty around agreements in emerging markets. Larger firms can develop intermediary institutions such as credit agencies, and standard-setting bodies (Khanna and Palepu, 2010) to cope with such uncertainties and a larger firm is more likely than a small business to adopt an infrastructure building strategy where it builds and internalises the infrastructure it lacks when dealing with contract enforcement. The fact that small businesses are unable to do the same is unsurprising, considering their small resource base compared to their larger counterparts.

The small businesses understand the local Ghanaian context and culture which they operate in as they are all Ghanaian businesses owned and ran by Ghanaian nationals. However, they face a complex set of socio-cultural issues driven by local norms and taken-for-granted ways of behaviour in their various industries and navigating these are by no means easy for them. The potency of the informal rules of the game (North, 1990) necessitates that organisations know how to deal with them. Marquis and Raynard (2015) contend that by adopting socio-cultural bridging strategies, organisations both attend to and shape the socio-cultural characteristics of their competitive environment—for they are not merely subject to sociocultural issues, but also active participants. The exact socio-cultural strategies the small businesses adopted to deal with their socio-cultural contexts did not come out clear in this research. All the small businesses explain how there are informal norms and taken-for-granted behaviours “out there” that they must battle with. Their responses suggest that they are victims of the informal rules of the game and that other people and organisations are the problems; not them. Thus, it was difficult to ascertain their strategies for navigating voids in their informal institutions. However, considering all the interviews were being recorded and how some of the informal norms are deemed to be morally wrong, one can see why the SMEs gave no clear-cut answers on the strategies they used to navigate the voids in the informal institutions.

#### ***7.2.4 Research objective 3B: Enabling factors for BMR***

Some factors enable the small businesses to reconfigure their business model as well as endure any challenges they encounter while doing so. It was found from this research that there are both internal and external factors (see 6.9.4) that enable the small businesses to do so—i.e. reconfigure their business model and endure any challenges that reconfiguring the business model presents. In their review of literature on the BMR process, Wirtz and Daiser (2018)

emphasise that an essential aspect of the BMR process is its success factors and they go on to point out how empirical research to add to our understanding on these success factors of the BMR process is needed. The findings in this research respond to this call by revealing the internal and external factors that enable small businesses to overcome challenges and successfully innovate their business model. This insight adds to our understanding of BMR and also answers to calls from Schneider and Spieth (2013) to further enhance our understanding of enablers of BMR.

#### ***7.2.5 Research objective 4: Result assessment mechanisms***

Several researchers (e.g. Aspara, Hietanen and Tikkanen, 2010; Hall and Wagner, 2012) have touched on the consequences or outcome of BMR. However, how firms subjectively assess these outcomes have not received much attention. Research objective four focused on how small businesses assess the outcome of their BMR efforts from their point of view. This insight (see 6.7.5) adds to the literature on BMR and our understanding of how firms themselves view and assess how successful their BMR efforts were.

#### ***7.2.6 Research objective 5: Recommendations***

The following are some policy recommendations for the institutional bodies in Ghana that oversee SMEs:

1. Awareness of the support NBSSI is very low, and so they remain unused by several small businesses. There are several support measures the institutional bodies put in place for the small businesses, but the small businesses do not mention using them. The NBSSI ought to increase their visibility to the SMEs as well as the supporting resources they have in place for them.
2. Concerning regulations, it is either, there is no regulatory body, or there is a regulatory body, but these regulations are not being adhered to. Overall, regulatory enforcement is weak, and this needs addressing as the weak regulatory enforcement makes it difficult for the SMEs to operate effectively and efficiently in the country.
3. Access to finance continues to be problematic, especially for small businesses that need external capital. Small businesses are unable to meet the requirements of external capital, so there ought to be some training on how small businesses can position

themselves to be able to do this. As for the high cost of external capital, there is little that the NBSSI can do directly about it. However, the NBSSI could signpost small businesses to alternative sources of capital that the small businesses may not be aware of or they may not even be considering as viable alternatives (e.g. venture capital, angel investors).

4. Accessing unskilled labour and remunerating them is not problematic for small businesses. It is accessing skilled labour and remunerating them that is a problem for most of the small businesses. The institutional bodies could come up with a program where they match selected small businesses with skilled labour that these small businesses cannot find themselves. This could potentially contribute to curbing the high levels of unemployment that Ghana is experiencing now.
5. The NBSSI should consider including training on how contracts and agreements should be approached as that is an area that is absent in their current training offerings at the time of writing.
6. Concerning finding information in the product market, the NBSSI pointed out how they have some alternative information available, but the small businesses do not access them. However, the small businesses in the interview were unaware of these alternative sources of information. The NBSSI should make small businesses aware of the support they offer for them and what requirements (e.g. registration, dues, etc.) the small businesses must meet in order to access them.
7. With the informal institutions, the NBSSI should embark on an educative campaign to re-educate small businesses about the demerits of the informal and unprofessional behaviours aspect of the informal institutions they have accepted as common-sense and dissuade them from such actions. Also, the NBSSI can put measures in place to strengthen regulatory enforcement where there are regulations aimed at curbing voids in the informal institutions, but they are not working. Also, where there are no regulations, the NBSSI could lobby to ensure that regulatory bodies are set up to regulate the operations of small businesses are in most cases it is the absence of regulations and their enforcement that impacts small businesses in a way the SMEs cannot do anything about.

The following are some recommendations for small businesses:

1. Small businesses ought to explicitly understand their business model to understand clearly the core and auxiliary aspects of their business model. The data from the research suggests that.
2. The product market aspect of the institutional context is arguably the one that the small businesses were most knowledgeable about as it impacts the small businesses directly. The dearth of information means small businesses have to go about getting the information they want themselves, and they do that just fine. However, they do not keep records neither do they have any kind of organisational database, and that has meant that their information remains in “peoples head”—either that of the owner-manager and/or employees. This is risky for them as the departure of a key employee, or even the absence of the owner-manager(s) from the business could stall the operations of the business especially where key information is paramount for certain actions to be taken. Small businesses ought to establish databases where key business information is kept.
3. Contract enforcement in Ghana for small businesses will remain challenging, especially when record-keeping in small businesses remains weak, and most contracts are oral or very rudimentary even when in writing. Regulatory enforcement is weak, and the legal procedures in Ghana have a lot of red tapes, and that compounds the problem. However, small businesses can resort to adopting legal forms of contracts and agreements, and this will at least reduce the problem. It must be admitted that the contract enforcement problem is hard to deal with, and no recommendations offered will be devoid of downsides. This is because contract and agreement non-adherence is a norm, and also there is little trust in the legal framework of the country. Thus, parties to contracts do not fear the consequences of non-adherence. The reality is that in most of the small businesses, contracts are not even used; for them, oral contracts are the norm, even when monetary payments are involved. In such cases, it is recommended that SMEs adopt a very cautious approach to agreements. That is, they should approach all agreements with the mindset of reducing potential loss or increasing the cost of non-adherence on as much as is possible for the contracting parties. Such risk management approach will overwhelmingly reduce the number of defaults the small businesses suffer, if not eliminate it.
4. Concerning the challenges small businesses have in obtaining and remunerating high skilled labour, they should aim at taking advantage of training opportunities offered by



institutional bodies such as the NBSSI. That will help them in enhancing the skill level of their staff. Also, they should embrace the notion of having to spend on high skilled labour where their contribution to the firm's bottom line is justifiable as such investments will probably pay off. To avoid losing high skilled staff after spending on them, small businesses can do so via formalized employment contracts.

5. Small businesses should consider using strategic alliances as a solution to their access to capital challenges. In the study, it was noted that those small businesses that had a strategic alliance with a key partner were able to leverage the strength of their key partner to fill their capital needs without having to seek external capital. In other words, the key partner's financial power supported the small businesses wherever the need arose, and thus they did not have to seek external capital. Also, the small businesses should consider accessing external capital from other outlets outside the conventional ones they are used to such as banks and microfinance institutions. Venture capital, angel investors and private equity could help serve as alternatives to the conventional ones small businesses are used to.
6. Offering recommendations on dealing with informal institutions is difficult as it is one area the small businesses were least open about. What came out was the unprofessional work standards, and the bribery and corrupt practices in the industry. Here small businesses could consider lobbying for the relevant regulatory bodies to be set up regulations which will aid regulate the affairs of their industry. This could go a long way in curbing the impacts of the informal norms and culture. Where there are regulations imposed by regulatory bodies, the small businesses could form enforcement unions or whistleblowing bodies to ensure regulatory enforcement is taken place in their respective industries.
7. A black box that remains unopened or least explored for small businesses is the macro environment; small businesses' awareness of their macro environment is lacking. The data suggest that they have no regard for their external macro environment, assuming it does not affect them. The erroneous nature of this assumption is undebatable. Small businesses should take due regard of the potency of macro trends and factor it in their decision making.

### **7.3 CONTRIBUTIONS TO KNOWLEDGE**

As was pointed in chapter one, most of the work on the BMI process in extant literature pays little attention to the institutional context BMI is happening in. This research put the institutional context of the business at the centre and investigated how the BMR process unfolds amidst a context replete with institutional voids. That approach yielded some new insights, and the following subsections will outline how this research has contributed to knowledge in terms of the gaps identified in the literature.

#### ***7.3.1 Building resilient models***

The first contribution of the study is to the BMR literature. The study shows how building resilient business models serve as the primary institutional strategy for small businesses. There exist internal and external factors that drive small businesses to reconfigure their business models, and the small businesses are able to identify these drivers via various sensing mechanisms. An important step precedent to BMR is how the small businesses sense the triggers that necessitate BMR, and this is where the absorptive capacity (Cohen and Levinthal, 1990) of the small businesses come in. Firms with relatively better absorptive capacity have an edge in sustaining competitive advantage through innovating their business model (Miroshnychenko et al., 2020) and it is the absorptive capacity in the small businesses that enables them to identify sources of information in addition to what is internal and exploit it via BMR.

When it comes to responding to the drivers that necessitate BMR, the institutional voids the small businesses face constrain their ability to reconfigure their business model. The voids in developing markets create unique conditions that force firms to design their business models to substitute for the lack of market supporting institutions (Khanna & Palepu, 2010). However, this strategy is too costly for the small businesses. Thus, the predominant institutional strategy in the small businesses involves reconfiguring their business models to be resilient in order to be able to still operate amidst the many institutional voids they face. Decision-makers in small businesses are, therefore having to constantly reconfigure their business model in ways that ensure their survival and enhance their competitiveness. In such small businesses, BMR occurred without them having all the “ingredients” needed to reconfigure their business model or even the capacity to alter their institutional context. Thus, the dynamic capabilities of small businesses are instrumental in their ability to build resilient business models. This is because

since small businesses cannot internalise the role of market supporting institutions, they have to build and modify their internal and external competences (Teece, Pisano and Shuen, 1997) and resource base (Barney and Clark, 2007) so they can reconfigure their business models to be resilient. That way, they can thrive in amidst institutional voids with their resilient business models.

Institutional voids can be viewed as constraints or opportunities by businesses that face them, but the small businesses view them as constraints, and with their insufficient resources as the premise, they conclude they are unable to exploit these institutional voids as opportunities. So, in BMR, although small businesses employ some of the other institutional strategies identified in the literature, a key observation is that predominantly, small businesses have to adopt building business model resilience as their primary institutional strategy. The small businesses face several institutional voids they cannot wish away, and they also lack all the resources and institutional support they need to overcome them, thus, what they do is to reconfigure their business models to be resilient so that they can still operate viably in the amidst institutional voids.

### ***7.3.2 An institutional voids framework for SMEs***

The second contribution to the study is towards the institutional voids literature as this work proposes an institutional voids framework (see table 7.1) for studying SMEs operating amidst institutional voids. Basing on the findings, the institutional voids framework used in this research has been modified further to propose a new framework. This new framework is proposed based on the insights and findings that emerged from this study, and it includes the salient aspects of the institutional context that influence SMEs in reconfiguring their business model. The institutional voids framework that was used in this research was itself a modification of the institutional voids' framework of Khanna and colleagues (Khanna and Palepu, 1997; Khanna, Palepu and Sinha, 2005). After modifying the framework of Khanna and colleagues and using it in this work, the findings revealed shortcomings about the adapted framework which the new framework addresses.

The adapted institutional voids framework used in this study had six components; regulatory systems, product market, capital market, labour market, contract enforcement mechanisms, and informal institutions. These covered both the formal and informal institutions and the markets (i.e. products, capital and labour markets) that the small businesses operated in. After applying

this adapted framework, the findings suggested that the local infrastructure and the macroeconomic trends are key aspects of the institutional voids' small businesses face, and thus their inclusion in the adapted framework is warranted. Khanna and Palepu (1997; 2010) mention infrastructure (both soft and hard) and macro trends in some places in their work when considering the things MNCs and international businesses from developed markets should know is different from what they have at home. However, for the small businesses, these local infrastructures and the macroeconomic trends are factors that must be brought to the forefront when investigating their institutional contexts.

First of all, the functioning of markets (i.e. product, capital and labour markets) is strongly influenced by the level of infrastructural development or the lack thereof (Khanna and Palepu, 2010). Thus, poor and underdeveloped infrastructure will compound the operational challenges of businesses with poor and underdeveloped local infrastructure and constrain how these businesses operate. Unlike MNCs and larger firms which have been the focus of much of the work on institutional voids, SMEs lack the resource base to build or make up for missing or malfunctioning market infrastructure (Marquis and Raynard, 2015; Khanna and Palepu, 2010), and so they have to take as a given the underdeveloped and poor state of their local infrastructure. The argument here then, is that local infrastructure exerts the same or similar constraints on the SMEs as the formal and informal institutions and thus needs to be included in the framework studying the institutional contexts of these SMEs operating amidst institutional voids.

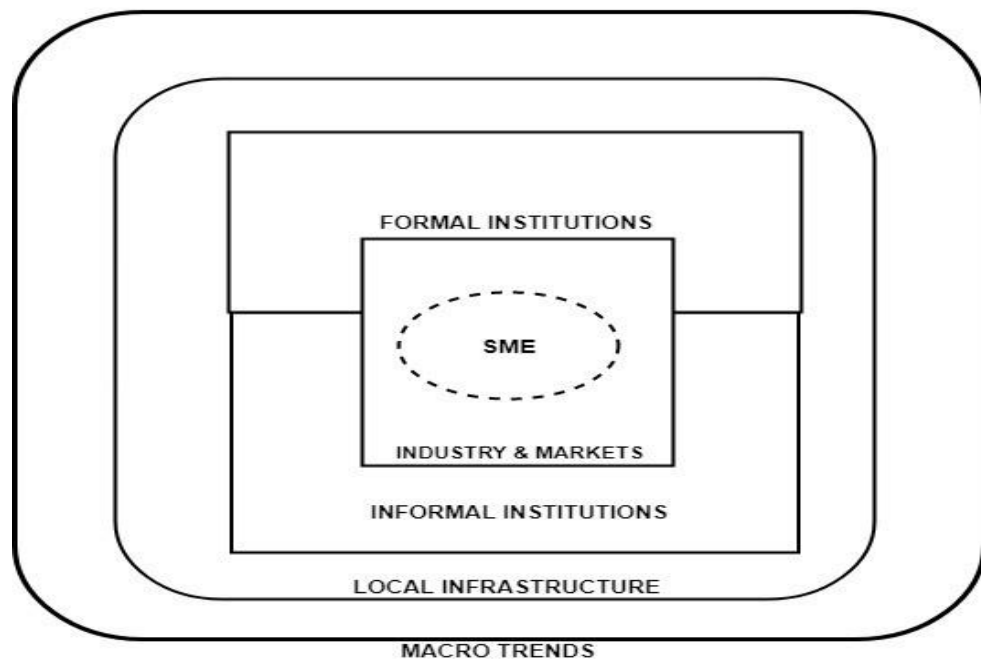
Macro trends, which is the second addition of the framework being proposed, is about unavoidable national and global trends so potent that the SMEs cannot help but be influenced by them. Table 7.1 below gives an overview of the main dimensions of the proposed framework and the various sub-sections with examples under each, whereas figure 7.1 gives an illustration of the proposed framework.

Table 7.1-Institutional voids framework (Source: Author's construct adapted from Khanna and Palepu, 1997; Khanna, Palepu and Sinha, 2005)

<b>Aspects of institutional voids framework used in this research</b>	<b>Aspects of the proposed framework for studying SMEs institutional context</b>	<b>Sub-categories of the SMEs institutional context</b>	<b>Examples</b>
Regulatory systems	<b><i>FORMAL INSTITUTIONS</i></b>	Regulatory systems	Laws, Rules, Regulations
Contract enforcement mechanisms		Contract enforcement mechanisms	Legal systems and court processes
Product market	<b><i>INDUSTRY AND MARKET</i></b>	Product market	The market for the SMEs products and services
Capital market		Capital market	The market for capital and investment
Labour market		Labour market	The market for skilled and unskilled labour
Informal institutions (Normative and cognitive institutions)	<b><i>INFORMAL INSTITUTIONS</i></b>	Normative institutions	Social norms and behaviours, social conventions
N/A		Cognitive institutions	Culture, taken-for-granted assumptions

	<b><i>LOCAL INFRASTRUCTURE</i></b>	Soft infrastructure	Advertising agencies, media outlets, market research firms, logistics firms, credit rating agencies etc.
		Hard infrastructure	Roads, bridges, etc.
N/A	<b><i>MACRO TRENDS</i></b>	National level trends	Political trends, economic trends, etc .
		Global level trends	Global warming and climate change, globalisation, etc.

Figure 7.1. BMR context for SMEs (Source: Author's construct adapted from Khanna and Palepu, 1997; Khanna, Palepu and Sinha, 2005)



The figure above illustrates the proximity of the various dimensions of the framework to the SMEs. The industry and markets dimension are the closest to the firm as the small businesses operate in the various product, capital and labour markets and so the impact and influence from these markets are immediate. Next is the formal and informal institutions which entail the rules and regulations as well as the social norms and culture of the SMEs context. All these—markets (i.e. capital market, product market, labour market) and institutions (formal and informal)—exist and take place in a particular geographical area and so after them in the framework comes the local infrastructure dimension which captures the geographical location of the small businesses as well as the soft and hard infrastructure of their geographical area. Last in the figure is the macro trends which capture the national and global level trends no business is exempt from, and thus all businesses must face, including the SMEs.

### ***7.3.3 Reconfiguring the auxiliary aspects of the SMEs business model***

The third contribution is that BMR in small businesses consists of a series of reconfigurations over a period of time in the auxiliary aspects of the SMEs business model. The core and auxiliary aspects can vary from business to business and from industry to industry, but across the small businesses in the study, the core business model using the segments of the business model canvas (Osterwalder and Pigneur, 2010) entails the following: key partners, channels,

customer relationship, customer segment. The auxiliary aspects, on the other hand, entail the following: key activities, key resources, cost, revenue and value proposition.

Although in the extant literature, various frameworks and components of what constitutes the business model have been identified (see section 2.2.2), small businesses in this study revealed that some components in the business model were more important than others to their firm's survival. The components of the business model that are essential to the small businesses survival as a business is what is being referred to as core business model whereas the components of the small businesses business model that are supportive of the functionality of the core are what is being referred to as the auxiliary aspect. The core part of the business model is integral to the firm's survival and are the "vital organs" of their business model. This core seldom undergoes changes and rarely do the small businesses reconfigure this core at will. In fact, none of the participants in the study changed the core aspect of their business model willingly. Any threats to the core aspect of the firm's business model threaten its survival as changes to the core tend to be radical to the operations of the small businesses. So, BMR in small businesses is a series of reconfigurations in the auxiliary aspect of its business model in order to augment the operationality and functionality of the core aspect of the firm's business model. So when one looks at small businesses operating amidst institutional voids that have reconfigured their business models, one will find that although there would have been several changes in the business model, almost all of these changes will consist of reconfigurations in the auxiliary aspect of the small businesses business model over time. Figure 7.2 gives an overview of how the BMR process in small businesses is like. Small businesses move from business model to business model via a series of reconfigurations in the auxiliary aspect of their business model. Concerning the small businesses ability to move from business model to business model via a series of reconfigurations, the dynamic capabilities of the small businesses will be crucial as they have to possess the ability integrate, build, and modify internal and external competences (Teece, Pisano and Shuen, 1997) and resource base (Barney and Clark, 2007) to address the institutional voids and the changes the voids bring. In other words, the ability of small businesses to constantly modify their organisational and strategic processes (e.g. product innovation, alliancing, strategic decision making) is crucial to their ability to continually reconfigure the auxiliary aspects of their business model.

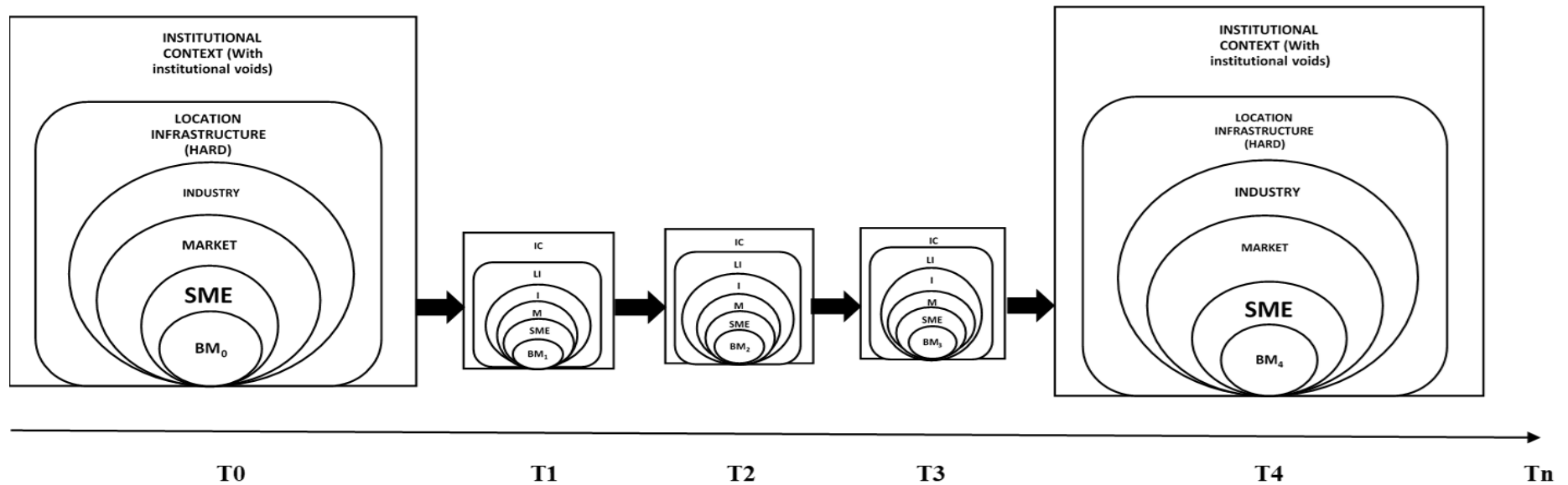
These reconfigurations are driven by factors internal and external to the small businesses (see section 6.8.2), and decision-makers in the small businesses sense these triggers for drivers via their sensing mechanisms (see 6.10.1). When all this is done, at this point, the decision-makers



in the small businesses will reconfigure their firm's business model and then assess the results of their BMR efforts through various results assessment mechanisms. All these activities take the small business SME from one business model (i.e.  $BM_0$ ) to another (i.e.  $BM_1$ ), and then this new business model (i.e.  $BM_1$ ) will be in existence until the whole process—i.e. sensing factors that necessitate change, reconfiguring the business model and assessing the result of the BMR efforts—repeats itself. Thus, the answer to the question posed by Wirtz and Daiser (2018, p.54) as to “...whether the BMI process really is a linear process or linear sequence of steps—as usually presented in the scholarly literature—or a whether it rather is a retrograde process or cycle” is that it is cyclical as per the findings of this study. SMEs are perpetually shifting from one business model to another. They keep using the business model until there are factors that necessitate it be reconfigured then they go through the whole cycle again.

This overview given here and illustrated in Figure 7.2 is a dynamic and ongoing process in small businesses as part of their quest to survive and remain competitive amidst the institutional voids they face. Such is the BMR process in small businesses operating in a weak and underdeveloped institutional context.

Figure 7.2-Overview of the BMR process in SMEs (Source: Author's construct, 2019)



BM<sub>0</sub>=Original business model

BM<sub>c</sub>=Current business model

IC=Institutional context

LI=Location infrastructure (Hard)

I=Industry

M=Market

#### ***7.3.4 The unformulated nature of the BMR process in SMEs***

The fourth and last contribution of the study is about the content of the BMR process. The nature of the BMR process in small businesses is twofold (i.e. organised or unmethodical) but, the content of this process remains unformulated in SMEs. This is not because small businesses innovate or reconfigure their business model blindly, as Lindgren (2012) suggests. Instead, it is because the initiation and implementation of BMR is carried out by the key decision-makers and how they go about it is not communicated across the business. These key decision-makers are the owner-manager(s), the relatives of the owner-manager in top management, key strategic partners and certain key top management staff (in situations where the SME has management in place) and these key decision-makers are the ones that “do” BMR; the rest of the employees just have to get on with their job.

Another thing is that small firms do not have to go through the bureaucracies and formal processes which larger firms must usually go through because the key decision-makers in small businesses do not require any one’s approval or consent for their decisions. Thus, small businesses go about reconfiguring their business models without having to justify their decisions to anybody else. This has meant that BMR in small firms is swift and agile and often does not require detailed planning, deliberation and approval before execution. The key decision-makers usually discuss what is to be done and implement it. Lindgren’s (2012) assertion that SMEs innovate their business model blindly should instead be rephrased to say the BMR process and details on its execution SMEs remains in the “heads” of the key decision-makers in these SMEs.

Cohen and Levinthal (1990) point out that an organisation's absorptive capacity will depend on the absorptive capacity of its individual members. BMR in the small firms relies extensively on the owner-manager/senior managers ability and so their absorptive capacity will be crucial in the firms BMR. So, it is plausible to suggest that BMR in small firms being “blind” could be because BMR in small businesses relies extensively on the owner-manager/senior managers absorptive capacity. Absorptive capacity is categorised into potential and realised absorptive capacity literature. Potential absorptive capacity indicates the acquisition and assimilation of knowledge whereas realized absorptive capacity indicates a firm’s capacity to transform and exploit assimilated knowledge by incorporating it into the firm’s operations (Kale, Aknar and Basar, 2019). Following from this, it is easy to understand why the BMR process in SMEs is unformulated as the potential and realised absorptive capacity of the key decision-makers in the SMEs is likely to be unformulated and tacit as well. So, to an onlooker, it may seem the

SMEs are reconfiguring their business models blindly. However, a closer look will reveal it is not blind but that the content of the process has not been formulated as it involves a select few. This approach could be risky as it can be viewed as a form of closed innovation (Chesbrough, 2006).

## **7.4 LIMITATIONS**

Undertaking this study in a context that has been marginalised in extant research on business models had several merits. However, as with all research, this one also had its weaknesses as is explained below:

1. Collecting data from only one participant within the small business and not having multiple sources meant that a set of particular perspectives were collected, but others were not. Although collecting this data resulted in rich narratives from a decision-maker viewpoint, the employee team might have different ideas about how things were done. To supplement the decision-makers perspectives, documents and websites connected with the business also formed part of the evidence considered, but the views of others in the firm aside from the key decision-makers could have added some value.
2. Another weakness may be seen in the testimonies being provided as they were predominantly based on the memory of interviewees. Several aspects of the research required participants to recall information from the past. This could lead participants to misremember past events and relate them in ways that enable the teller to make sense of their experience. This was noted in their hindsight rationalisation of past events and interviewees modifying some of their initial responses when they were asked to verify their answers in the transcribed version of their interviews (Thomson and Holland, 2003).
3. Although an on-site tour and observation of the small business activities were carried out to support the interviews conducted, the “observers’ effect” could skew what the researcher “saw” or could see (Frey, 2018) and this is being counted as a limitation.
4. Finding eligible small businesses who are willing to take time away from running their businesses to partake in research was challenging. This necessarily limited the nature of the data being collected.

5. Concerning the data analysis, in hindsight, a grounded theory approach might provide other insights in an understudied context like this.

## **7.5 SUGGESTIONS FOR FUTURE RESEARCH**

The topic of this research is an under-researched topic. Therefore, future research might address the same topics but using different methods and methodologies and some with other suggestions are listed as follows:

1. A contemporaneous study might address the issue of hindsight reflection on events. Future research could use a longitudinal approach to do so to map and understand changes over time.
2. A quantitative or mixed methods study might be useful in the context of developing market SMEs who tend not to have enough data sources to allow for the traditional standards of data triangulation.
3. Future research on the topic might also focus on SMEs from one industry so as to examine industrial influences that could affect or skew how SMEs reconfigure their business models.
4. Future research could focus on SMEs in two developing countries and investigate how they approach BMR so as to examine and compare insights for the two groups of small firms operating in two different countries that have similar institutional contexts.
5. Future empirical research could focus on verifying the BMR process in SMEs and test whether BMR in SMEs consists of reconfigurations in the auxiliary business model or not.
6. Also, researchers on institutional voids could use the institutional voids framework proposed in this work to study other businesses and then test the veracity and usefulness of the framework when researching firms in weak institutional contexts.
7. Future research could look to explore why the BMR process is unformulated in SMEs, what are the phases involved and also how it is that some SMEs are able to consistently reconfigure their business models even though it is not any one's responsibility in the firm to champion BMR.

## **7.6 IMPLICATIONS FOR POLICY AND PRACTICE**

Research objective five was to make recommendations, and several were made (see section 7.2.6). However, there are some key one that stands out for policy and practice are presented in the following subsections.

### ***7.6.1 Awareness about the support from government agencies***

Help, assistance and the various alternative solutions provided by the various governmental agencies and SME support institutions should be made more visible to the SMEs. There is a disconnect between what help is available to SMEs and what help the SMEs themselves know is out there. SME support institutions should use the various social media, video sharing platforms and other media outlets to spread the word about what they do and what support is available for SMEs as the SMEs seem very oblivious about what help is available for them when they need it. Communications on the support available to SMEs in the country, as a result, should be enhanced.

### ***7.6.2 Market intermediary business support***

Market intermediaries are key to the functioning of markets, but in weak institutional contexts, these intermediaries are lacking. Instead of focusing all their attention on training SMEs, governmental agencies and SME support institutions should channel some of their efforts towards infrastructure building (Marquis and Raynard, 2015) and creating market intermediaries and soft infrastructure that could potentially reduce the transaction costs and operational challenges of SMEs. These efforts could prove vital to the SME ecosystem in Ghana. There is no point in training and empowering SMEs to operate amidst myriads institutional voids that adversely affect their survivability and competitiveness.

### ***7.6.3 Advocacy for institutional entrepreneurship***

The governmental agencies and SME support institutions should aim at educating the SMEs to think differently about institutional voids. SMEs tend to view institutional voids as constraints, but some institutional voids can be viable business opportunities that SMEs can take advantage of by innovating around it. These innovations, when successful, could serve other businesses and go a long way to in benefitting the innovating firm. SMEs should be re-educated to think

differently about institutional voids as although governmental agencies and SME support institutions may want to solve institutional voids, institutional changes are gradual, and they take time (Mahoney and Thelen, 2009).

#### ***7.6.4 Improving regulatory enforcement***

One thing that could potentially make the most significant difference to the SME ecosystem is if institutional bodies would improve regulatory enforcement. In most cases, there exists an institutional body, or if not, there usually are regulations, but they are just not being enforced. Institutional bodies that regulate SMEs should also aim at improving the regulatory enforcement drastically if the non-adherence of SMEs to regulations and their preference of wanting to operate off the radar of institutional bodies is to be reversed.

#### ***7.6.5 Open BMR and key partnerships***

For SMEs, the advice is that they should strongly consider adopting a more open approach to reconfiguring their business models. BMR in the SMEs remains an affair of the “few” at the top, but this should be revised to be more open as a more open approach could bring in more ideas and double the rewards from innovation (Chesbrough, 2006). SMEs although can build resilient business models and thrive amidst the myriads of institutional voids, they should consider forming key partnerships with external actors in control of critical and scarce resources—i.e. other firms with key resources the small businesses need but do not have or will struggle to acquire. This could make it possible for SMEs to have access to key resources that could augment their already held capabilities with little to no costs.

#### ***7.6.6 Human resource implications for SMEs***

The voids in the institutional contexts require that the SMEs make some changes to their human resource practices. These changes are anticipated to enhance the operations of the SMEs and aid them better deal with the institutional voids. Firstly, the SMEs must strongly consider revising their human resource policies in favour of meeting the salary expectations of highly skilled labour. Employing high skilled staff and meeting their high demands might yield more overall than employing “the next best alternative” and paying them lower. Secondly, since the use of consultants is not an option for many due to the cost involved, and SMEs would have to

“go out there” for their information, they must train their staff in gathering “business intelligence”. Their staff must have the ability to gather relevant information for the decision-makers in the firm, and this ability must be made part of the staff training in SMEs. Thirdly, SMEs must train their staff that are involved in deals in negotiations. Because contract enforcement mechanisms are weak and SMEs have not developed any answers to them than to endure it and hope for the best, it is prudent that they train their deal-making staff in negotiations. That way, the SMEs can reduce the risk of them having to be in contracts that would not be enforced or will prove costly to enforce. Another alternative is to improve the staff’s ability in selecting leads. That way, they can avoid taking on “bad” customers that could lead to difficulties in contract enforcement. Lastly, SMEs must look to employ staff that can adapt to different situations, or they must train their staff to be adaptable to different situations as that will be very key to the SMEs ability in remaining resilient in an institutional context that demands it. Having to operate in an institutional context that demands resilience could lead to high-stress levels in employees, and so the SMEs will have to prioritise employee wellbeing schemes.

## **7.7 CONCLUSION**

This study borrowed from institutional theory to explore the BMR process in SMEs operating amidst institutional voids. Based on a review of business model, innovation, BMI, BMR and institutional voids literature, gaps in knowledge were identified, and research aims set for the study. An institutional voids framework was proposed and used as context to investigate how BMR happens in 14 Ghanaian SMEs from various industries. The findings from the research provided some novel insights on BMR processes in SMEs and proposed a framework to contribute to the emerging discourse on BMR amidst institutional voids.

As with all research, the study had some limitations, which were also explained in the last chapter of the work. Regardless of these limitations and lessons that were learned from carrying out the research, several measures were put in place during the entire duration of the research to ensure the expected levels of academic rigour are evident in the study. It is the hope of the author of this work that the findings from this research will challenge academics to more empirical research on some of the ideas put forth in this work and also encourage policymakers in developing countries, Ghana, in particular, to rethink the support they lend SMEs in their quest to contribute meaningfully to their economy.



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## APPENDICES

### APPENDIX A: DEFINITIONS FOR THE BUSINESS MODEL CONCEPTS

(Source: Zott et al., 2011)

AUTHOR	DEFINITION
Timmers, 1998	The business model is “an architecture of the product, service and information flows, including a description of the various business actors and their roles; a description of the potential benefits for the various business actors; a description of the sources of revenues” (p. 2).
Rappa (2000)	In the most basic sense, a business model is the method of doing business by which a company can sustain itself -- that is, generate revenue. The business model spells-out how a company makes money by specifying where it is positioned in the value chain.
Mahadevan (2000)	A business model is a unique blend of three streams that are critical to the business. These include the value stream for the business partners and the buyers, the revenue stream, and the logistical stream. (p. 59)

Gordijn and Akkermans (2001)	E-business models [...] a conceptual modelling approach to e-business—called e3-value— that is designed to help define how economic value is created and exchanged within a network of actors. Our e3-value method is based on an economic value-oriented ontology that specifies what an e-business model is made of. In particular, it entails defining, deriving, and analysing multi-enterprise relationships, ebusiness scenarios, and operations requirements in both qualitative and quantitative ways. (p. 11)
Amit & Zott, 2001; Zott & Amit, 2010	The business model depicts “the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities” (2001: 511). Based on the fact that transactions connect activities, the authors further evolved this definition to conceptualize a firm’s business model as “a system of interdependent activities that transcends the focal firm and spans its boundaries” (2010: 216).
Chesbrough & Rosenbloom, 2002	The business model is “the heuristic logic that connects technical potential with the realization of economic value” (p. 529).

Magretta, 2002	Business models are “stories that explain how enterprises work. A good business model answers Peter Drucker’s age-old questions: Who is the customer? And what does the customer value? It also answers the fundamental questions every manager must ask: How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?” (p. 4).
Morris et al., 2005	A business model is a “concise representation of how an interrelated set of decision variables in the areas of venture strategy, architecture, and economics are addressed to create sustainable competitive advantage in defined markets” (p. 727). It has six fundamental components: Value proposition, customer, internal processes/competencies, external positioning, economic model, and personal/investor factors.
Johnson, Christensen, & Kagermann, 2008	Business models “consist of four interlocking elements, that, taken together, create and deliver value” (p. 52). These are customer value proposition, profit formula, key resources, and key processes.

Casadesus-Masanell & Ricart, 2010	“A business model is . . . a reflection of the firm’s realized strategy” (p. 195).
Teece, 2010	“A business model articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value. In short, it’s about the benefit the enterprise will deliver to customers, how it will organize to do so, and how it will capture a portion of the value that it delivers” (p. 179).

## APPENDIX B: DEFINITIONS FOR INNOVATION

(Source: Conway and Steward, 2009)

AUTHOR	DEFINITION
Thompson's (1965, p. 2)	"Innovation is the generation, acceptance and implementation of new ideas, processes products or services".
Schumpeter	innovation is reflected in novel outputs: a new good or a new quality of a good; a new method of production; a new market; a new source of supply; or a new organizational structure, which can be summarized as 'doing things differently'
Freeman (1982)	"an innovation in the economic sense is accomplished only with the first commercial transaction involving the new product, process, system or device..." (1982:7).
Freeman and Soete (1997)	'an innovation...is accomplished only with the first commercial transaction involving the new product, process, system, or device.
(UK Government's Department for Innovation, Universities, and Skills, 2008: 12/ DIUS, 2008: 12)	Innovation is the successful exploitation of ideas
(Commission for European Communities, 2003: 7)	Innovation is the successful production, assimilation and exploitation of novelty in the economic and social spheres
Zaltman et al. (1973: 10)	'any idea, practice, or material artefact perceived to be new by the relevant unit of adoption'.
Myer and Marquis (1969)	innovation is not a single action but a process of interrelated sub-processes. It is not just the concept of new idea, nor the invention of a new device, nor the development of a new market. The innovation process is all these things acting in an integrated fashion according to them.
Smith and Barfield (1996: 1).	Innovation includes not only basic and applied research but also product development, manufacturing, marketing, distribution, servicing, and later product adaptation and upgrading"

## APPENDIX C: DEFINITIONS FOR THE BMI

Source: Foss and Saebi (2017)

AUTHORS	DEFINITIONS
Mitchell and Coles (2004a: 17)	“By BMI, we mean business model replacements that provide product or service offerings to customers and end-users that were not previously available. We also refer to the process of developing these novel replacements as BMI.”
Markides (2006: 20)	“BMI is the discovery of a fundamentally different business model in an existing business.”
Santos et al. (2009: 14)	“BMI is a reconfiguration of activities in the existing business model of a firm that is new to the product service market in which the firm competes.”
Aspara et al. (2010: 47)	“Initiatives to create novel value by challenging existing industry specific business models, roles and relations in certain geographical market areas.”
Gambardella and McGahan (2010: 263)	“Business-model innovation occurs when a firm adopts a novel approach to commercializing its underlying assets.”
Yunus et al. (2010: 312)	“BMI is about generating new sources of profit by finding novel value proposition/value constellation combinations.”
Sorescu et al. (2011: S7)	“As a change beyond current practice in one or more elements of a retailing business model (i.e., retailing format, activities, and governance) and their interdependencies, thereby modifying the retailer’s organizing logic for value creation and appropriation.”

Amit and Zott (2012)	Innovate business model by redefining (a) content (adding new activities), (b) structure (linking activities differently), and (c) governance (changing parties that do the activities)
Bucherer et al. (2012: 184)	“We define BMI as a process that deliberately changes the core elements of a firm and its business logic.”
Abdelkafi et al. (2013: 13)	“A BMI happens when the company modifies or improves at least one of the value dimensions.”
Aspara et al. (2013: 460)	Corporate business model transformation is defined as “a change in the perceived logic of how value is created by the corporation, when it comes to the value-creating links among the corporation’s portfolio of businesses, from one point of time to another.”
Berglund and Sandström (2013: 276)	“A BMI can thus be thought of as the introduction of a new business model aimed to create commercial value.”
Casadesus-Masanell and Zhu (2013: 464)	“At root, BMI refers to the search for new logics of the firm and new ways to create and capture value for its stakeholders; it focuses primarily on finding new ways to generate revenues and define value propositions for customers, suppliers, and partners.”
Khanagha et al. (2014: 324)	“BMI activities can range from incremental changes in individual components of business models, extension of the existing business model, introduction of parallel business models, right through to disruption of the business model, which may potentially entail replacing the existing model with a fundamentally different one.”



## **APPENDIX D: SEMI-STRUCTURED INTERVIEW QUESTIONNAIRE FOR INSTITUTIONAL BODIES**

### **SECTION A-INFORMING THE RESEARCH VIA PRACTICE**

1. Wanting to increase the practical utility of this research and enhance the validity of its findings, can you contribute to the following:
2. *To make the findings of this research useful to small businesses, what issues should the research aim to investigate?*
3. *To make the findings of this research useful and relevant to institutional bodies/organisations that work with and support small businesses, what are some of the issues that should be investigated?*
4. *Any issue of concern you reckon this research should take into consideration?*
5. *Are there any recent issues or concerns that have shaped the way both small businesses and institutional bodies operate? What are they?*
6. *What findings do you expect to emerge from the research and why?*

### **SECTION B-INTERVIEW QUESTIONS ON INSTITUTIONAL CONTEXT**

1. *Tell me about the current [institutional] context for small businesses in the country (institutional voids):*
2. *Tell me about the regulations that affect the way small businesses operate? (Voids in the Regulatory systems)*
3. *What is the situation like for small businesses in their [product] markets? (Voids in the Product market)*
4. *What is the situation around getting extra capital like for small businesses? (Voids in the Capital market)*
5. *What is the experience like for small businesses to get people to employ? (Voids in the Labour market)*
6. *In terms of contractual agreements, what is the experience like for small businesses? (Voids in contract enforcement mechanisms)*
7. *What are some of the cultural norms, actions/behaviours, codes of conduct and informal behaviours that can be found among small businesses operating in the country? (Voids in the Informal institutional/Normative and cultural pillars)*

### **SECTION C-REMARKS**

1. *Are there any documents that I can look at to learn more about everything we have discussed?*
2. *Are there any issues or topics that you feel could or should have been discussed that we left out?*

## **APPENDIX E: SEMI-STRUCTURED INTERVIEW QUESTIONNAIRE FOR SMES**

### **SECTION A-The Present way(s) of doing business now.**

- 1. Tell me about your business?*
  - a. What benefits or value do you give your customer(s)?*
  - b. How do you ensure you make profit?*
  - c. What makes your way business unique from that of your competitors?*

### **SECTION B-The past way(s) doing business in the past.**

- 1. Is this how your business has always operated? If not:*
  - a. How different was your way of doing in the past compared to now?*
  - b. Can you explain how things were in the past? Any examples?*

### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

- 1. On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back?*
  - a. Can you highlight what the key change(s) has been?*
- 2. What caused these changes and how do you know these are the causes.*
  - a. When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*
- 3. When you identify reasons to change your way of doing business what is usually the next step after that?*
  - a. How do you go about making changes?*
- 4. What are some of the challenges you have faced in the past when making changes to your way of doing business?*
  - a. How do you overcome these challenges?*

5. *When you have made changes to your way of doing business, how did you assess the results?*
6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*
7. *What will you say are the external factors outside your business that impacted you the most and why?*

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*
2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*
3. *What is the situation like on getting extra capital?*

- a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*
4. *How is it like getting people to employ?*
- a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*
5. *What is the situation like concerning contracts and agreements?*
- a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*
6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
- a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

## **SECTION F-COMMENTS FROM PARTICIPANTS**

1. *Is there any other topic or issue you deem relevant that was left out?*

## **APPENDIX F: INTERVIEW TRANSCRIPTS FROM INTERVIEWS WITH INSTITUTIONAL BODIES**

### **1. INTERVIEW WITH MINISTRY OF TRADE AND INDUSTRY (MOTI)**

#### **SECTION A-INFORMING THE RESEARCH VIA PRACTICE**

Wanting to increase the practical utility of this research and enhance the validity of its findings, can you contribute to the following:

- 1. To make the findings of this research useful to small businesses, what issues should the research aim to investigate?*

Access to finance: Especially after the global financial crises of 2008/2009. Accessing finance after this crisis has been difficult for SMEs and so the innovative ones are the ones that have been able to find a way out the access to finance problem. The crises made it difficult for firms to access finance and so many SMEs were struggling so those that were able to traverse that was labelled innovative and indeed they are since they are the ones that found a way where there was none. Employment also is a key feature of innovative SMEs; the number employ keeps increasing as these innovative SMEs take part in the global value chain.

- 2. To make the findings of this research useful and relevant to institutional bodies/organisations that work with and support small businesses, what are some of the issues that should be investigated?*

For institutional bodies, we want to know what can be done to make our actions useful to SMEs. So, we want to know what policies can help. Let's say you do a comparison of our policies with other nations and see what works and what doesn't so we can know what policies to deploy because they work.

We will want to know what relevant training and relevant policies can be administered to support SMEs. One, for instance, will be education, that is to go out and provide the right educational programs for SMEs

We will also want to know how we can get market opportunities for the SMEs in the country especially international markets

Exactly what changes in the government policy have affected them.

3. *Any issue of concern you reckon this research should take into consideration?*

Same as answers as question 2 above

4. *Are there any recent issues or concerns that have shaped the way both small businesses and institutional bodies operate? What are they?*

Nothing in particular

5. *What findings do you expect to emerge from the research and why?*

This is research so one cannot really tell.

## **SECTION B-INTERVIEW QUESTIONS ON INSTITUTIONAL CONTEXT**

Tell me about the current [institutional] context for small businesses in the country.

(institutional voids)

1. *Tell me about the regulations that affect the way small businesses operate. (Voids in the Regulatory systems)*

ASK NBSSI SINCE THEY ARE HAVE BEEN SET UP BY MOTI SPECIFICALLY FOR THIS SO I AM NOT IN A POSITION TO ANSWER

2. *What is the situation like for small businesses in their [product] markets? (Voids in the Product market)*

ASK NBSSI SINCE THEY ARE HAVE BEEN SET UP BY MOTI SPECIFICALLY FOR THIS SO I AM NOT IN A POSITION TO ANSWER

3. *What is the situation around getting extra capital like for small businesses? (Voids in the Capital market)*

ASK NBSSI SINCE THEY ARE HAVE BEEN SET UP BY MOTI SPECIFICALLY FOR THIS SO I AM NOT IN A POSITION TO ANSWER



4. *What is the experience like for small businesses to get people to employ? (Voids the in Labour market)*

ASK NBSSI SINCE THEY ARE HAVE BEEN SET UP BY MOTI SPECIFICALLY FOR THIS SO I AM NOT IN A POSITION TO ANSWER

5. *In terms of contractual agreements, what is the experience like for small businesses? (Voids in contract enforcement mechanisms)*

ASK NBSSI SINCE THEY ARE HAVE BEEN SET UP BY MOTI SPECIFICALLY FOR THIS SO I AM NOT IN A POSITION TO ANSWER

6. *What are some of the cultural norms, actions/behaviours, codes of conduct and informal behaviours that can be found among small businesses operating in the country? (Voids in the Informal institutional/Normative and cultural pillars)*

ASK NBSSI SINCE THEY ARE HAVE BEEN SET UP BY MOTI SPECIFICALLY FOR THIS SO I AM NOT IN A POSITION TO ANSWER

## SECTION C-REMARKS

1. *Are there any documents that I can look at to learn more about everything we have discussed?*

Our website should have sufficient information you. Plus, that is what we can really give. Anything else will have to go through a lot of formal processes ad even with this you must be explicit exactly what you need so MOTI can verify if it has such documents.

2. *Are they any issues or topics that you feel could or should have been discussed that we left out?*

Your research concerns itself with SMEs but the type of SMEs the work is looking at is not apparent. There exists formal and informal SMEs, or to put it differently, SMEs operating in the formal sector as opposed to SMEs that operate in the informal sector. Formalized SMEs are the ones that are registered with the Registrar of companies, Ghana. These SMEs

are the ones in the books of the government and thus their operations are documented, they pay taxes, their operations are visible to the government etc. Making this distinction is crucial as all the information you will usually find in the ministries are information on the formalised SMEs. MOTI records only capture information of formalised SMEs only and this must be borne in mind. So, when a researcher comes asking about SMEs from MOTI the researcher needs to make it explicitly clear the type of SMEs about which information is being sort. Because, whether it is made explicit or not all the information MOTI will be about formalised SMES and passing such information off as if they pertain to all SMEs in the country will be misleading

## **2. INTERVIEW WITH NATIONAL BOARD FOR SMALL SCALE INDUSTRIES (NBSSI)**

### **SECTION A-INFORMING THE RESEARCH VIA PRACTICE**

Wanting to increase the practical utility of this research and enhance the validity of its findings, can you contribute to the following:

- 1. To make the findings of this research useful to small businesses, what issues should the research aim to investigate?*

NONE I CAN THINK OF

- 2. To make the findings of this research useful and relevant to institutional bodies/organisations that work with and support small businesses, what are some of the issues that should be investigated?*

NONE I CAN THINK OF

- 3. Any issue of concern you reckon this research should take into consideration?*

NONE I CAN THINK OF

- 4. Are there any recent issues or concerns that have shaped the way both small businesses and institutional bodies operate? What are they?*

NONE I CAN THINK OF

- 5. What findings do you expect to emerge from the research and why?*

NONE I CAN THINK OF

### **SECTION B-INTERVIEW QUESTIONS ON INSTITUTIONAL CONTEXT**

Tell me about the current [institutional] context for small businesses in the country.  
(institutional voids)

*1. Tell me about the regulations that affect the way small businesses operate. (Voids in the Regulatory systems)*

Business registration is a must in Ghana and all businesses are expected to register with the Registrar Generals Department (RGD) including small businesses. Regulations of the institutions like Environmental Protection Agency (EPA), Food and Drugs Authority (FDA), Ghana Standards Authority (GSA) affect SMEs but it all depends on what they do. For instance, if the way they operate will impact the environment negatively then they will be obliged to follow the regulations set forth by the EPA. If they are in the pharmaceutical sector, then they will have to follow the FDA's regulations.

The NBSSI requires SMEs to also register with us as clients so that they can get data from us and make our supporting them possible.

Not all of them are statutory. RGD, for instance, is non-negotiable but the Ghana Revenue Authority (GRA) is.

The extent to which regulations are adhered to is a complicated issue. In the past, they didn't but this is changing because of the awareness and knowledge of the benefits and penalties of not adhering to them. With the way things are now, I think it [adherence to regulations] will change and be better in future. Although information seminars have been organised by the NBSSI to educate SMEs on regulations, for instance, the Business Advisory Centres (BAC's) of the NBSSI have been instrumental and very helpful in the awareness creation. They [BAC's] support the process of and applications to become part of the NBSSI takes place there which has also helped a lot. NBSSI attracts discount from the Food and Drug Authority (FDA) and so being part of the NBSSI benefit SMEs in that regard if they qualify for these discounts available.

Enforcement is an issue. Enforcement is weak. Those that enforce can tell why [the sarcastic tone and demeanour with which this statement was made cannot go unnoticed

*2. What is the situation like for small businesses in their [product] markets? (Voids in the Product market)*

This is a bit difficult because of the mentality that going into business is for school dropouts or individuals that were unable to continue their education. Most of our entrepreneurs are illiterate or not well educated and so can't go where they can find data and information. You know in Ghana, if you are well off and you do well in school and

there is money then you'll be able to school until university levels. But if not then you go into trading or you start something small for yourself to be making money.

We have no data banks or anything of that sort available to Ghanaians too. The gap in ICT literacy makes it such that people are unable to go online and obtain information for themselves. Last year for instance 1200 women were trained by NBSSI in ICT in order to help solve problems such as this [i.e. people's inability to go and find the information they need online]. This connects them to the available information.

An effort is being made by the way to counter these problems. Knowledge management centres have been started. And the goal is been to ensure the clients get information that they need to do business.

A problem of attitude is also a concern also. People don't seek information.

Things are in a way changing. Graduates are joining the entrepreneurship pool now and these kinds of graduate entrepreneurs are more competent compared to their uneducated comrades and so they go for information where they need. Our entrepreneurs [the ones not so highly educated] should be sent to the University's to be properly trained in business management, start-up courses etc. Maybe after that most of these entrepreneurs will begin to appreciate the importance of getting information because information has been available, but people don't come for it due to the culture and illiteracy.

3. *What is the situation around getting extra capital like for small businesses? (Voids in the Capital market)*

This is actually better today than it was before. In the past loans were not being paid back so banks and financial organisations were not trying for them. They didn't have records to show the financial organisations to inform the decision of these financial organisations. As part of the training, NBSSI undertakes is business records training. Helping with business plan preparation focus the operations of businesses. Most of the banks too in Ghana now have set up SME sections where they attend specifically to the needs of the SMEs. But some of these are real, some not; they only exist on paper. Regardless of the progress made long term capital/loan is still a problem though. Sometimes a loan is available but for only a short period.

We need to groom them and make them good enough so that they can take loans and succeed and to repay. Our [NBSSI] is grooming them. Record keeping remains a hindrance

to access to capital because increased records equal access to extra capital but not all SMEs seem to get this message

4. *What is the experience like for small businesses to get people to employ? (Voids the in Labour market)*

Most of them complain about their workers, that is a common thing. On the entrepreneurs' side, they don't pay the workers well and they don't treat them well too.

We encourage them to share their goals with the employees so they can share in the vision of the company.

Attitude towards work is bad. It is about the salary and not work these days. The employees do not understand the big picture. It used to be better in the past than today.

Today, attitude toward is poor. People in the past worked hard and were prepared to go the extra mile.

Concerning employment people are becoming lazy that is the thing.

Also, I think has to do with religion. You know people have this "you-just-have-to-pray-and-things-will-happen" mentality, and I think that is part of the problem.

Also, businesses don't go for high-end graduates because they cost more. They look to family or anyone that can come in and get the work done well enough for them. If they are to employ graduates, then they will go for mid to low end educated individuals. Aside from that, they end up doing everything on their own as best as they can and get along with it

5. *In terms of contractual agreements, what is the experience like for small businesses? (Voids in contract enforcement mechanisms)*

They don't formalize their contracts. It's verbal so it can't be pursued, and this has always been like this. It can change but we will need to work on their minds if we are to achieve this.

SMEs have problems all the time with this because their contracts are not documented and can't be taken to court

6. *What are some of the cultural norms, actions/behaviours, codes of conduct and informal behaviours that can be found among small businesses operating in the country? (Voids in the Informal institutional/Normative and cultural pillars)*

Contract breaking is the norm for businesses. They break contracts without caring. Negotiation and agreements are broken without flinching. They don't have formal work hours unlike the formal sector and so they tend to work when they work.

Gender issues too exist. These are issues that have been carried from the past and continue to persist today. For instance, in the Kente industry (a form of native textile weaving industry) it is traditionally seen as not for women and so most women are unable to get involved in it. Some do sell the kente cloths (i.e. end product) but they don't get involved in the weaving aspect. Such gender issues motivated by culture tends to be present in some order sectors too.

Tax evasion is also an issue. That is why they don't keep records basically that way they can evade taxes or find ways around evasion or paying the amounts payable. But what most of these SMEs don't know is that if they keep records, they get benefits.

The use of measurements is absent, and it is a way to cut corners for some SME traders. When you buy stuff how it is measured for you is not universal and it changes from day to day and from business to business. There are not generally agreed-upon standards of measurement for measuring items sold. Dilution of products to deceive customers to buy is also another common thing among businesses. Some SMEs can go to the extents of diluting the products they sell to give the customers the impression that they are paying less for a large quantity, which is not so. For instance, sellers of pepper paste when they blend their pepper tend to add cola nut (which is cheaper) so that the quantity of the pepper paste is increased. That way they sell more and get more money, but customers are being deceived.

Sales of expired goods and products unapproved by the FDA is also a thing. The task force has to be sent out to go around after businesses that may be involved in such trade

#### **SECTION C-REMARKS**

1. *Are there any documents that I can look at to learn more about everything we have discussed?*

Any information you need to check our website. If you don't find what you are looking for on there contact me and I will fill you in where I can.

2. *Are there any issues or topics that you feel could or should have been discussed that we left out?*

I will like to say that we will need you to bring us copies of your research once it is completed

Find out the extent to which SMEs have regularized their business

Find out if access to information in SMEs has improved? [It was mentioned earlier in the interview that the NBSSI have carried out several programs aimed at improving information availability for SMEs]. If not find out what form the information, they needed by the SMEs should take? Like what language should the information be in for instance? What form will be most suitable?

Find out concerning access to funding, what are the terms and conditions that SMEs will rather have compared to what exists? In accessing finance, what can replace collateral where they don't have any?

## **APPENDIX G: INTERVIEW TRANSCRIPTS FROM INTERVIEWS WITH SMEs**

### **INTERVIEW WITH BUSINESS A**

#### **SECTION A-The Present way(s) of doing business now.**

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

XXXX is the company but the service we provide is branded under blue range pest control and blue range farm support service and now we have recently the agrochemical shop to it. But the main thing is blue range pest control.

**Target customer, Key activities**

**& Value proposition:** Pest control services it cuts across, we do everything from hotels to homes to warehouses that need our services. Actually, it is a requirement by the Food and



Drugs Board that anyone who is dealing with food and food processing must do pest control, so we serve them also. Also, another one that is, manufacturing. Any company that is manufacturing anything they need to ensure that it is safe, so we come in and do it for them. Homes that have cockroaches, rodents, snakes etc we come in and help them control it. Commercial properties like I said, hotels, it is important they keep their premises pest free, so we come in and do that for them. Schools too that have issues. Clinics too we provide these services for them. So, the main thing we are doing is pest control services and we serve all these people.

Like every business, we do awareness creation and we send proposals to companies that we think might need our services. Then the people that need our services will let us know. And we work for most restaurants that provide food services and the rest. Not just restaurants alone, any environment that you are cooking chances are that there is going to be a pest of some sort, so we come in to deliver the services for them.

When I was in university, level 300, that was when I did research on pest control business and I found that just there is a huge potential in the pest control industry because it is very open. So, a lot of people don't know about it.

**Key partners:** in the pest control aspect am completely independent and that is where I started from.

This branch the permanent employees are 4, it is supposed to be 3 branches but the 3<sup>rd</sup> one things are bit slow and not moving as I want so I have put a hold on it. But I have one in Cape Coast which serves Cape Coast, Takoradi and Tarkwa. I have one here. We had one in Afariwa, but it was slow, so I put a hold on it. But by the end of this year chances are that we are going to put one up in Kumasi. With the studies, we did it is important that we put up one there. Permanent employees are 8 but mostly we need more hands so there some people that we have on our list that whenever we need more hands, we contact them, they come, and work and we pay them off. They come in as and when the job demands. I manage all these myself. All of them I made it like a team, so there are four in number in each team and one member in each team is usually the leader. But in Cape Coast, the team leader is more like the manager there. My strength is creating so even here am more need when new ideas and approaches are needed. Like the Kumasi that we are about starting I have to go there and see to its start-up.

Outside Ghana, in other countries, pest control is big business but in Ghana here, there are not many firms doing it. Do you know XXXX? Now when you see them, they sell agrochemicals, but their core business is pest control. There are a few other firms that are doing it.

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So, my first branch helped me, it was in cape coast. Because those times it was difficult for someone to call you about a snake in Accra but in Cape Coast, it was still a virgin forest so there were so many of these issues there. All the pest we heard about there still being controlled there. So, I went there, I got to know all the people that were still doing the job and learnt from them. Then because I was eager, I got to Understand the technical aspect of the job very well. Then also I trained with EPA (i.e. Environmental protection agency). So, it all gave me an upper hand because I already knew how to market the service and now, I knew how to do it. So, any other person that came through me I happen to teach them. So, most of the guys exactly when they came, I had to teach them. When I was doing my research, I found that most of the guys that did this thing were not educated so when you ask them questions, they couldn't really answer you well. And the people I got were not so educated but the people I got I was able to train them well for them to deliver. All this I am saying is the early stages of the businesses.so when we were growing and getting a little bigger and getting a small name, I got a consultant. A guy who is still our consultant, he did his PhD in entomology which is extensively on pest control. I have another guy who also consults for me from the centre for scientific research. So, with my technical knowledge and with these guys, because this is their field it helped to structure things. The good thing is they didn't charge me too much. Mostly what I do is that when I have a job and it requires their expertise, we negotiate a percentage, so they know that this job when it goes through, I need them to supervise it for me and this is what is in it for them. So, that is how we started. But now most of them feel they are part of us. if you came in here on a Friday you would have seen them here even. But these two consultants I don't even count them as part of the employee base. But when you see their CV, they put our company on it.

You see the board there, I sometimes bring in people from the EPA etc to come in and lecture my guys on our work because most of our clients are demanding, for example with safety. For instance, if you are working for guys like Tullow and these big guys you need to be extra careful. Some of our commercial property clients like this you need to be on top of your game because you are maybe controlling about 200 houses.

We have loyalty programmes we do where if a person brings us clients, we the total amount of clients they brought us in a month and give them a certain percentage of what they brought. With the consultants also, I deal with them on a deal by deal basis depending on their level of involvement.

**Revenue:** Payment for the services we provide is our money source of getting money

**Cost:** Salary, car maintenance, a lot of expenses on safety equipment. The job we do requires us to adhere to the highest standards of safety. Training cost also does cost us quite a lot. The other cost may be marketing and advertisement cost which are expenses that don't really come back easily.

**Customer relationship:** We try to keep in touch with our clients especially the big guys, like Tullow and the rest because like I said for them you can end up doing a job for them every three months. So, we try to keep in touch with them a lot especially when it is approaching the times, we think they will need our services **Channels:** We must deliver with our personnel.

**Key resources:** Our premises we own here in Accra. The others we rent. The safety machinery and equipment we have. The other is maybe the knowledge I have and what I have imparted in the staff through the various training I have had organised for them. **Key activities:** The difference between me and some is the fact that I believe in the employees. So, I invest in them. So, this investment comes in the form of training. So, we do periodical sessions just so everyone stays in touch. We invest in eco-friendlier equipment. Pest control has evolved into more than just carrying a spray tank at your back and then just going around to spray. There are machines and more eco-friendly machines that are being used now and unfortunately are not cheap, so we invest in that too. And there are many methods that require new machines for example we are buying some machines from China that we are going to try from June you see there are some environments that using chemicals there is not easy or is not good to use chemicals there if you want the people to feel at ease since they may store food there etc. So, it turns out that there are certain electronic repellents that are there that you can use and don't need to spray there so we are getting this one also into the country. We are going to try it for three months for ourselves. So, if we should do this, we may be among the few who are doing this in Ghana, I mean I don't even know if there is any company doing that in Ghana at present. We recognise the power of technology now so anything that makes the job safer we try to get it in our business and that is something that makes us different from other businesses. With all these investments our process is not going to be cheap because they are expenses.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

Like I was saying when you get to know that you are not the only one doing something you are forcing to do it differently. So that you attract important clients as well. I mean starting from the beginning it is not like I had money. I finished national service I had no job and I couldn't sit at home with that as an excuse. The small money that I had I started small small. So the machines that I was using then you can understand that they were the cheap ones because I didn't have money and I could also afford only one person. Six years I didn't even have an office. I had one machine and my understanding of this industry on the processes and procedures of things were not as deep as now back then. So, I would say from six years ago this was how we were. As time kept changing, we kept on putting in more investments. The extra funds we had to invest was retained earnings, so it took serious discipline to do that because knew where we wanted to get to, so it was a matter of keep disciplined and reinvestment the money to keep us moving towards the vision. When we made some small monies, we bought more and more machines gradually and then we got another person to join our office. Then we have moved from the old machines to the mixed blowers, then to office etc.; So, we did it that way. When we made money, we kept investing. That is how we got here. The underlying process and procedures in the business are the same. Just that now it has changed from the past. Now when I am going to look for business here in Accra, there is someone else also going elsewhere in Accra to do same. And there is someone else in cape coast doing the same thing as well. You go prospecting, okay you see this person might need pest control. You try, and you meet the manager, talk to them, if they are not already doing it you convince them to give you a try. If they are already doing it, you convince them should they need to change anything you are also available, and this is how you get your business. And then when you get the business then the other parties, that is your workers, are ready to execute the project fast. So basically, it is must teamwork now but, in the past, there was only me doing all this and one person helping.

#### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a.*

*Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

Out of 5, I would say 4. Because we have grown and the number of employees now, like I was just saying. We have more machines and we have more in-depth knowledge about the industry and that changes everything because now we know. And we are also continually doing investments also too that has contributed this. But I would say the knowledge is the main thing because it is the knowledge that drives us to do all this. For instance, today if we close one of our decisions is to buy gas analysers' because it is important that when we finish spraying y9our house we give you a report and state in its what time you should come to the house, what you should expect should someone react to anything, how you should react to that yourself. Then we try to make you understand within this duration it is safe for you to go into your house. But we are thinking that clients will much safer if we put a gas analyser in your house on your wall after the job. Then the gas analyser tells you exactly what chemical content is in your house. So, if we say it is finished, you don't have to take our word for it, you just check yourself. So, if the gas analyser tells you that the chemical is finished you will feel safer. Chances are that the gas analysers' may not go wrong. So, these are some of the things we are trying to put into our services because the central focus of our jobs is that.

I think this comes as I have touched on at certain points in our conversation that we had a vision and we wanted to grow. So, we just kept on doing what we felt will help us get there. Invest, you know, learn more and more about the industry and change things as and where needed. An example is what I just explained that we invested more and more in machines and added more employees till we became what we are now

2. *What caused these changes and how do you know these are the causes.*

- a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

I mean when u started the business the idea was to be able to render services to all kind of clients. And in this, I understand that all clients are not the same and some of their demand

for certain things are higher, so I can't give them that service or extra service if I don't know what that is. So what fires me is to be able to get these big clients to recognise XXXX and this is what had gotten me to investigate what I can do differently. You can say meeting

customer demand and expectations is what made us change. Come to think of it is the main thing that made us change because if you want to wait for somebody to call you come and spray my kiosk for me, GHS100 (£16.67 approx. in 2018) and the rest, I mean, fine. But if we are trying to build a brand that satisfies the customer throughout then I mean that is the only way you last. Beginning to the end is about meeting the customers need profitably. And how can you meet it if you don't know it? First of all, there certain standards that you yourself you are supposed to aspire to and the information and knowledge in this industry is everywhere. People have done pest control and have made mistakes and they have improved the system and procedures already. You as a company you should aspire to meet those standards. The mistakes people have already made you should learn from them. It puts you on a certain level already that attracts certain people. That should be the first thing. Because you can read, I can also read so I know what you want in pest control when you call me to come to you and spray your house for you it is not about the fancy machines that am bringing that is of interest to you, it is not how well my people dress. Your interest is how well I can get cockroaches' out of your house safely and that it doesn't cause any damages to you and your kids. You want your house cockroach free and safe. One thing I have realized is that all you need, which is your standard is that you don't want the cockroach out of your house in a way that when you come back to the house you can't breathe. You just want cockroach out without any problems whatsoever. So, I need to understand how do I meet this need of yours. My objective is to satisfy what you want and in doing this I need to understand that first of all what am I controlling? How do I do this safely? And if we say quality is perceived, then how do I present myself so that you know that what am doing for you is top-notch. When you see us working for someone when we come to your house you small notices everywhere to notify you, we are using this chemical here, please stay away etc. so it gives you an idea what we are doing first. So, if you come home and you see these notices everywhere warning you about the chemicals we used where and where you begin to think that these people know what they are doing. It gives you relaxation and calm. Those are the standards that you need to meet.

I think from the beginning, and I don't know whether it is because I studied business, but I think from the beginning we knew where we wanted to reach. When we were started, we knew where we wanted to reach so it is not like we are always asking ourselves that what should we do or what next can be done, no! We knew where we wanted to get to when we were starting and that is what we keep working on. I don't know if this makes sense to you,



but the idea was and is that we want to be the best pest control firm in Ghana providing the best and safest pest control services in the country. With this in mind, it guides us. We already know that there are people in this business that have been in it for years. I mean we will not just get up one day and beat it. So, we work every day towards that vision. Basically, that is it. So, every other thing is easier. Everything thing we are doing is just to hammer the same point for.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

Ok, first of all, if the change is a technical change what we do is to get enough knowledge and technical advice. For instance, we are changing machines, first of all, we need to make sure that the people that are going to use the machine understand it. So, we don't just go and bring a machine that nobody is using it and it's sitting down there, no. we try as much as possible to get someone who knows that machine. When you go to the back of our building you see the land? So, most of the time we try some of the machines there and make sure the workers get used to it.

Also, when we decide to make changes, we try to figure out whether we can afford it. Whether it is a change where we must buy somethings and how it is going to affect our 3-month operation and, then I discuss it with the staff.

So, if it is not technical and it's not something, we have to buy staffs and it is about a change in the process we go ahead with it. For instance we had to introduce a worksheet where if any of the workers go to a particular site to do a particular job he or she must write down exactly what was agreed to be done and what was actually done and have the client sign it and bring us also a copy so we keep it at the office so we know exactly what is done.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

One of the challenges was marketing things. When I got enough, and I was coming to Accra from cape coast, following the cape coast business' success, I knew very well that there a lot of people here that can provide equally good services and we need to beat it with some



something. And then the only possible way we could have used was proved. So, a job that when for example if we do, we will charge GHS100 and make GHS50 profit on it we declared all of them GHS50. So that was a hard time for us. very hard times. So, we brought prices down just enough to cover chemicals cost and transportation. So, we got a lot of jobs, but we were not making basically anything on it. These were the toughest. And the idea was to let people know that we are here, and even though we are good we can provide very good service. So, we maintained that for a year. The only way we were able to survive the transition and make changes especially in the early years of this Accra shop we are in is that the one I started in cape coast was doing very well and so we were able to support things here with money from that side. We were making enough here to breakeven but anything else we supported with the cape coast shop. Cape coast has been instrumental in us being able to sail through changes that we made at that time because it supported us, and we could always fall on it financially. the thing is that starting a business from the ground, the challenges most of them are personal.

I mean you can't change it if you are the business. I mean you take me for example. I just finished university at the time, and I didn't have any other source of income and then I started the business. And then business doesn't bring in something every day and also you are new in the system, so you can imagine. And I had already left home. Because when you are home everyone will be looking at you and feeling pity for you and worrying about when you are going to get a job. So, I moved to Cape Coast where I knew nobody. So, it was hard with a lot of personal challenges and you go hungry a lot too. So, you always feel like giving up. Another thing too was the fact that I was a graduate and I had just finished university and so I could always go and search for a job and end up working like anybody else. So sometimes when things got so tough sometimes, I would ask myself, do I just apply for a job? So, what I did finally was to one day just close my eyes and change my password, so I can forget about it and focus on the business. So, starting the business early challenges and in fact, most of the challenges were personal. The business was built around me and so my when you ask me of the challenges, I can't help but say they were mostly, if not all, personal. and the way I overcame it was with my friends and family. You know they are intellectuals, so they spoke to me. when my brother who is abroad came down, he didn't give me cash or anything, but he gave me a lot of advice and spoke about how it was not going to be easy. I have younger brothers when they were in town they will pass around and encourage me. you know, and whenever any of my family and friends were visiting me, they could buy some of the things

we use for work (e.g. nose mask, sprayer etc) and gift it to me. and you know once they give it to me, they have given it to the business. which was encouraging. Sometimes I would be broke and not even have something to eat and someone would just send me some money you know. This is what I wish people who do business will just be honest about and say more often when they are asked about how it was when they were trying to build their business instead of taking the glory to themselves. With my journey throughout sometimes, all it took was for someone to call me and check up on me and that was all or maybe somebody gives you a gift. So that is how I managed through all these things.

If you take the personal challenges out, I would say everything will pretty much ok, we just had to reduce prices heavily like I said so we can penetrate the market. Aside from the marketing, I would say the problems of the business were all my problems I just spoke of

5. *When you have made changes to your way of doing business, how did you assess the results?*

These changes we made we really made some good results. Somebody counts the bad ones, but we count the good ones. I mean if it is a technical change that has something to do with like the pest control aspect is easier to know how effective the change has been. It's like when we changed from using the solo machine to using more advanced machines, the population, the death rate of pest it is enormous. So, we can see with the work we do and the results we get. An example is mosquito spraying; two machines would give you completely different results but the one with better results is more expensive and harder to get etc. so where we made changes and started using more expensive and advanced machines, we could see the outcome in the job we did. So, machine wise, the technical aspect is easier because when making changes we see the results easier but the other aspects may be managerial, administrative, when we make changes it takes time to see whether really the changes are good. And when they good you know things in the business will be going well operations will be better and efficient, you know, stuffs like that

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

You now in Ghana when you are getting big there is a political element in the business atmosphere that you face. It is not supposed to be so, but you must be very like a strong

pillar and be very politically connected. See, for over the 5 years of doing business I didn't know anybody in high. Nobody held my hand or anything. I applied for things through all the right processes, prayed and hoped for the best and then did what I thought best and the rest. But for the first time when government changed hands there were so many things that changed.

You know it's all about knowing and planning and the scope of things. So, for the first time in business I had experienced my first political change, that is the change in government, right? The government had changed hands so the political philosophies, the ideas, the policies, the vision for the country etc. the moment it changed we had to change everything. Because once there is that political change the way we do business and a lot of things in the system changes a lot, so we also are forced to change a lot. In 2017, for instance, was a difficult year for us because government has changed hands, government have sympathizers and most people are in the business who have the same force or ability like you and want to achieve what you want to achieve. You understand? Business is actually supposed to be on your credibility but in 2017 for the first time we were witnessing that business had nothing to do with that but had everything to do with change of government. People are getting to where they are not supposed to be, they are influencing things and that because they have power and connections. And I work with a lot of companies, right? So, for instance, I had a company that I had to do their pest control for them okay? But the change in the government meant that someone in that company was knocked out and then back and forth we had to lose the contract. And you see this new person that came to knock the person out we heard was in alignment with the political change. So, it had nothing to do with credibility or so, that is what we heard. And we lost the contract in the end. Now you see these kinds of changes whether who had what links and who knocked out who doesn't matter but the fact that there was a change in the government which brought about all these things affected us too. Is Ghana you know. There are other companies that I mean they just knock you off like that because they have more stronger connections than you and it is just like that.

7. *What will you say are the external factors outside your business that impacted you the most and why?*

I think so far, the one that I will say is the ICT. It is a technology world right now you know. For instance, with this social media, we realised that a lot of people spend their times on the net, so we also went around creating Facebook pages, Instagram, websites and made the website as interactive as we can. So, we try to put in information that when someone comes, they can read. Like the last time, I had to write an article on rodent and how to control them at home and then had to circulate it around on these platforms. So, because we understand people spend a lot of time on these social media and the rest the best way to reach out to them is through these avenues.

Also, maybe consumer perception. So, when I get a complaint or recommendation, a good one. It helps me to adjust myself. So, when we get an opportunity, we try to hear how the people perceive us, so we know how to handle and adjust ourselves. We like to hear good remarks for instance but when we do get them, we don't allow it to get to our heads you know.

Basically, aside from the political factor and the environmental factor that is the laws of EPA on what should be done and what should be banned etc these are the other things that affect us. I mean we are working with laws so depending on what we are told we can do or not do we work within it. But those are once in a while because for the past 5 years most of the chemicals that are banned are still banned. So apart from the political change there is this international change, if I may say, on these eco-friendly things that have also impacted the way we act here. So, everybody is looking at how to do things to be environmentally conscious. The thing is that in the past we did things because chose to do it but now we do it because we must do it. It might not add anything to your value but if you want to survive you must do it. And am referring to this eco-friendly thing. You know there is a global awareness on that, so you must do it. But in the past, it wasn't that way and you could get away with certain things but now you can't, and I see this changing, even more, going forward. Because even if your government doesn't hold you responsible for the international community and all these international organisations they will hold you. Individuals who are getting your services and the rest and these international organisations they can even give you pressure. One of them is this like I said this eco-friendly thing. Like right now people are asking a lot of questions. You don't just go to anybody's house and then use any chemical and spray. They want to know if it is eco-friendly, what are the effects etc. First first, when we are going to do these jobs, we did risk assessments, what are the possible outcomes, what are the risk hazards involved etc. and that was it. But now it is even more.

For example, you should be able to know that the chemical you are using is so friendly to the environment that if you use the chemical and a bird is flying it will not die.

## **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*

There quite a few out there. EPA, to see whether you have proper safety measures in place relative to the environment you know. And other safety measures like whether we sue safety codes and all these safety equipment and stuff. Basically, that's it.

Things have basically been the same. Not seen any changes or something of that sort

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We are still in a society that if you send somebody a mail they won't even know or look at it. So, we basically do it the traditional way. We just go out there and do it. And this is how it has always been

3. *What is the situation like on getting extra capital?*

- a. *Has it always been like this? How was it like back then?*
- b. *What have the major changes been?*
- c. *Do you see things changing?*

Honestly, I have not tried before. Is one thing, it has to do with the person. Are you willing to go through the slow-motion? Then no problem. But if you want life on the fast lane then you may have to go get some extra capital. I mean there are others in business who have become big overnight. But I always wanted to see the next chapter and I take things like that. So, I have never considered going for extra capital. Yes. And first of all, the rates are discouraging. it is around 22% or so at the moment, I think. you see, the thing is before loan was not even a topic to discuss. For me, no! because to start with, it is not like I handled big money before till I started business anyway. So, every money, it's a philosophical thing for me, like every money that I made I wanted to know that I understood the process behind me getting it. So, I wanted to understand the process and have the money it will bring and be able to handle it. So, I always want to work within that. I am not in a hurry to blow up, that is it. so there were sometimes people approached me for investments, there were individuals that wanted to give me a loan of some to the tune of GHS 400,000 while at that time I had not even seen GHS 1000 before, so it was scary for me. So, I felt that with that kind of money chances of me failing is high because I will probably have used that kind of big money to go and open more branches thinking that it will lead to big revenue. But with my understanding of business it doesn't really. I mean with my understanding of business I think there are things that you have to do first. I am not capable of handling 10 branches right now; do you get it. But now I can handle 3, that is why am thinking of the XXXX branch now. So, you should always do business within your range, I mean that is personal to me anyway. Right now, if somebody comes to me and say let's do partnership, I will take it into consideration. From where I am, I feel that I have gotten to that level where if I get that kind of capital injection, I can make it. And I know that the market for this business I am in is big. I honestly know.

4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*



*e. Do you see this changing for your business?*

I tried employing the highly educated ones and it didn't work out for me. Maybe in the future probably we will look at it again. You see it didn't work because, first of all, what we are doing is technical. So, I can explain it to you, but you will appreciate it more if you have been through it. So, they are two different things. I can explain it to you but when you have been to the field it is easier to grasp what you are being shown, you see? And in the real world, the theories are back up plans, you know, you need to be practical. And I realised that myself. I am not perfect but somehow, I manage to get some particular people to see things in the direction I want them to see it. And when that happens things grow. Second, when you get the graduate, they expect you to pay them so much money and they want to do this little and I can't. I am still a small boy in business, and I can't, I am struggling to make it so we can't be here paying huge sums to people. But I see this changing in future. That it will get to a point where we will be employing more graduates. I think with me I am the only one making all the decisions. The hard ones are the strategic ones you know. And with me, I am not the best at making it, for sure. There are other people that could do better than me in that aspect. So, if I have the resource, I would love to get some of these people and then together with them in the business we can go to the next level and we could build something more beautiful.

5. *What is the situation like concerning contracts and agreements?*

- a. Do you face any challenges in getting them adhered to by yourself or others?*
- b. Is this how things have always been? How was it in the past?*
- c. Do you see this changing in the future?*

With our work contracts are followed. We put it in writing and have them signed so people don't break them. But as for the payment no. everything in the contract they will adhere to it but once they say they will pay you in two weeks or three weeks that one? Forget! But we understand the system. You see mostly it is supposed to be 30 days, but it doesn't happen. As I am here talking to you some people are owing us from November 2017. So, 30 days but trust me it can take up to whenever. With this, I don't see any changes coming. It has always been like this. You write a contract, go, they sign it and everything but as for when they say they will pay, forget. It won't change. It is always going to be like this

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

Our own is safety. I mean someone is doing fumigation, not wearing gloves, wearing slippers, these things you are not supposed to see them in the industry, but you still do. I mean somebody can be doing fumigation or spraying and there will somebody sitting close somewhere around and be eating. The regulations and practices and the safety standards are there but you know people don't always stick to them. Sometimes they are like, "come on let's do it like that nothing will happen" or "not everything in the books are true". So, you see some of these things and it's just like that.

You know like they take shortcuts around the safety practices and it is done everywhere. And the other one is the payment I mentioned. Like everything in the signed contract can be adhered to but with payment, forget. It cuts across everywhere. They won't just pay on time and it is normal. Another thing and this is especially with companies, is that the people that call you in the company to come to do the job, you have to give them something. That is everywhere. You always have to give about some 4/5 some "cut" else they won't call you again.

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

This new environmental awareness stuff I just explained

## **SECTION F-COMMENTS FROM PARTICIPANTS**

*1. Is there any other topic or issue you deem relevant that was left out?*

- About how educated my staff are

All the guys that there with me when I started, I allowed them to school. So, they work they school. My policy was that since these people are starting with me even if the business should fail I wouldn't want them to be failures in life, so I supported them to school while working. That is how it has been for all the workers. In fact, the guy that is the accountant now, when I met him, he had just finished senior high school. I took him in and started working with him while allowing him to do remedial studies to get him to university and now thankfully he is in his third year. Two others have also been on a similar route. And all of this I am funding it. You understand?

From the beginning, some of the staff were in senior high. But now as I speak to you all the staff here are in university. So, as I know them and give them roles to do, where ever they excel, I push them, so they can excel and pursue university education in that area of their strength. So, we are not rich, you see? So, we didn't go to hire qualified graduates to come in and work here. No. we grew up together through the system. So aside only 2 people here that are in third year all the rest are graduate. I mean am not rich. And it is not like somebody gave me loan to start this business. So, I know the kind of sacrifices that these guys have made for me. So today today when the business collapses where are they going? You understand? So, I must make sure that I develop them so that when the business collapses right now they won't be out there stranded. They will at least be able to find something to do. I feel that the best way I can give back. I wasn't rich or anything, but this was the best I could do for them. So, they felt the connect. You understand? So anywhere we are like a family. Am sure with the knowledge that they have now somebody could have taken them elsewhere and pay them big but the fact that from the beginning this is what we've been through everybody knows our story. And eventually if we grow bigger and have branches these guys will become the branch managers. Because they already have the technical knowledge since everybody started from the field. Me myself I started from the field. So, they all have technical knowledge before they move into other areas. So, for instance, a customer needs someone to spray their house, the accountant can go, the administrator can go, in fact, anybody in here can go and do the job because they know the technical aspect. And that is how I want my company.

I think you as a researcher needs to be able to learn how to ask the wrong questions to get the right answers because a lot of people the reasons why they are in business gets shadowed in self-praise. For example, when I was talking about challenges, I was honest that my

brothers and sisters have been supportive. But should I not mention this, some others with a brother or sister might not value their brothers and sisters support to them in their businesses. If I make it seem like they have not helped and that I have achieved all this along somebody out there may hear this and maybe trying to do this on their own ignoring the small small help. So, if you can find a way in your research to get people to actually tell you the reality and what is actually on the ground then people can also benefit. People should know that it is okay to start business and still live in your father's house. It should be okay. There is nothing wrong with you if your mother is still feeding you while you are still doing business. it is okay. You understand? If people understand that this is okay, then they wouldn't feel bad. You don't need to move out of your parents' home before you start a business. People, when you ask, will not come out with the real truth and so you will have to find a way to get them to tell it to you. Otherwise, they will just give you this self-praise and theoretical answers but not telling you the reality on the ground. But if you go beyond it, maybe ask about their family and how they grew up it will help to get them to open up or have some psychological link with how the business started

## INTERVIEW WITH BUSINESS B

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

**Target customers & value proposition:** I simply sell things that have to do with men, like men's shoes, men's belt and men's slippers. That's pretty much it. But the only thing is unlike others we have to make our own items. We import the raw materials, the leathers and stuff, design and produce the products ourselves in our own workshop. But most people selling men's stuff they just import them and sell and most of them go to China and bring stuff to sell or they either import second-hand goods and sell. The benefits of my

product to the customer is that it is made in Ghana and it is designed for the Ghanaian with the Ghanaian in mind. You know these imported shoes and stuff they are designed for the white man and so the style in mind is also the white man. But what we do we bear the local people in mind and make sure that the style is appealing to the local man. And even with the imported shoes, we can match their style in terms of design. For instance, if we see that a particular imported shoe is trending, and most people are buying it we can design the same thing or similar and have a share in the market also. Our profit is based on the difference in our production cost and the selling cost. At every time the goal is to be able to produce cheaply and sell as high as customers are willing to pay. What really makes our business different from others is that we are local, and our products are locally produced which is a rare feat. Go around to cost shops and you can't find locally made shoes or belts there. The closest you can find is slippers. Which is easy to make and almost every shoemaker in all the local markets can make. So, with that we try to make ours posh so that people when they see the difference, will not be able to even tell that the slippers they are holding is not locally made. You see when I started it was hard and indeed it is still hard to be doing what I am doing now that is why it is so easy to find many shoemakers in the market, but you won't find shoemakers that are doing exactly what I am doing, that has their own showroom and workshop. When I started it was hard. I started as mobile shoe maker that will go around and repair peoples' shoes and shine people's shoe for money. And I did that for a very long time. There was no finance to move away from that way of

operating even though I wanted to. I would walk for so many hours in a day to do so much for so little that I would always close my workday unhappy. Yet I had to continue that way because I couldn't finance the kind of operations I had in mind. Location was also an issue. You see when you are a shoemaker you walk around and go wherever you think people will need your services and you get to make a lot of money that way. But once you choose to get a shop and become stationary you take a big risk because you cut your yourself from some of your market. So aside the finance I was lacking, getting a location was a problem. The ideal location I had in mind I couldn't afford it and the ones I could afford too there was a high risk of isolating myself from my market. But eventually I got over that and found money to start. Money that I had saved over the years plus money that I raised. That was a huge step for money and I was able to get my own workshop. It is this same shop that we are sitting in. You see this shop, I divided it into two and used half of it as a workshop and half of it as showroom. That was at the start until over the years as time grew, I managed to get a workshop, employed others and then was able to use all of this space as a showroom. So, what really kept me going is sheer determination and hard work because once I transitioned to producing the shoes and stuff, I realised it was very expensive.

Materials for production is very expensive as they are imported. This is very burdensome. You have to import and pay duties and transport to your premises. Then you have to design and produce the shoes. By the time you will be done, if caution is not exercised you will not even make profit. You need a strong sense of direction to be able to do it and only those with insight can do this.

I aimed to have my own shop, create my own products and not remain a mere shoe cobbler. I have this belief that if you want to do it, do it well if not, don't at all. And that is what has brought me this far. My past and where am coming from differentiates me from others. When people hear my story, they want to come and see my shop and even try my products. A lot of people like your self are always coming in and asking for interviews. Even last week there about some white people came in from Germany or Holland somewhere to interview simply because they saw some video of me on YouTube. So, all this differentiates my business from others. The fact that I started as a shoemaker and I am here today with my own showroom and my own production facility. Aside from all that our shoes are really nice and durable, you can try some yourself. People have purchased from

me always come back and tell me how good it is and how durable it has been. So, our design, durability and the fact that we are local with a local touch makes us unique.

**Customer relationship:** For this, we are always nice and friendly to people when they come and buy from us. At the end of the day, they are the ones feeding us so the least we can do is to be nice to them.

**Channels:** As for channels we have our stores that people come and buy from. We are now looking to sell online, and I have someone designing the website (although we have a Facebook and WhatsApp number) for us as we speak. So, at the moment we sell in our own store, so we don't really do delivery. Sometimes I deliver to certain people, especially repeat customers. And in such instance, it is only done for those that are ready to bear the transportation cost.

**Key resources:** our shop which is the showroom, the big shop for designing and producing the shoes. **Revenue:** The proceeds from the things we sell make up our revenue.

**Key partners:** With partners, I don't have any. It is my business and I want it to remain so without any external interference.

**Key activities:** Our way of doing business is to sell shoes, belts and slippers for men. We design and produce them ourselves, so these are our main key activities. s

**Cost:** The costs? Cost of raw materials, salaries, utility bills and maintenance. These are the major ones.

## SECTION B-The past way(s) doing business in the past.

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

In the past, it was overly simple, the way we operated. I had a small kiosk that I did everything in. but as I have mentioned before that I was a shoeshine boy that will go around to repair shoes and other footwear. Then I got my kiosk and then the store with a small showroom, this space [\*points around]. The same way as we are operating now is how we did in the past, but things are on a much bigger scale now. One thing I realised was that manufacturers don't make a profit, they lose more. They produce the shoes and sell to the retailers who then sell at higher margins and make earn bigger profits. The shift was then to stop manufacturing and selling to retailers and rather manufacture and sell in our own



showrooms and enjoy all the share of profits. Apostle Kwadwo Sarfo, Tobinco and Kessben, these big big businessmen motivate me. They have so much control over their businesses and so they earn more, so I wanted to do same.

In the past, our main customers were the retailers who would buy from us, but we changed from that. We wanted to build a brand that will be reputable and recognised across Ghana, so we had to change things. In the past we had more referrals' but even that has not changed much today. Our customers, who are middle to upper-class people, are mostly the same. It's the same customer group we serve, that has not changed. If anything has changed it is the size or number of customers as it has increased greatly now compared to the past. To work and multiply that was our plan. In the past, we had to reach a bit more of the buyers at the who are not so rich-the lower class if you will- as to afford expensive import fashion goods. We had to but the quest to do so meant we needed to increase our production capacity. A move we took seriously and implemented but, in the end, we didn't really end up focusing on the lower end customers like that.

### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a.*

*Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

I will say 5. We are not the same business as we were in the past. We have changed completely. From me alone being a shoemaker to a small store with little production capacity and a small showroom to where we are now? Where we have a whole shop for showroom and a workshop with several workers? I think we have changed through and through. I don't need to say any more for you to know. We have changed completely.

We have just grown over time. Everybody when you do business you know you want the business to grow and continue to grow and do well so that's it. We have grown and that's why you see all differences. For instance, at first it was all me, now it's not. I have people working for me and with me. Whereas I had no machines at the start now I have many. The

ones you saw in the production shop. Now I import materials to manufacture the footwear and all that too

2. *What caused these changes and how do you know these are the causes.*
- a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

Just desire. Also, it is in our heads that when we start a business it must grow and be successful. For instance, like the Biblical Noah. He has the blueprint of a ship in mind and he was building it according to that blueprint, but no one really understood him. So, the desire to grow was there. For me all along when I was a shoemaker and when the business was small I always envisioned growth and growing bigger

I can't really tell, we just do things and change things as and when we see necessary. We don't necessarily wait for any particular time. Whenever we deem a change necessary.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*
- a. *How do you go about making changes?*

- **Human resources:** Having the people to work with is a problem. It's either they don't want to work with you or once they understand you and learn the job from you, they leave to set up their own shop. It is a constant challenge we have to deal with it and so when you get people you just hope that they won't end up leaving you.
- **Money:** Money issues still persist but, in the times, we had to make all these changes money-the lack of adequate amounts needed to fund the changes we were making added another layer of difficulty. You realise you need a particular equipment to operate a certain way and then you find out you can't afford it. You want to try some new materials in production so as to differentiate your product from that of others and you realise that purchasing that product will collapse your business. We just made do with whatever we had, and I tried to reinvest in the business as much as possible. You look at me and you see am a simple man. I use a simple phone and I partake in the kind of conspicuous consumption which is so pervasive in our time. That helped. That meant that I was able to plough back a lot of the profits the business made back into the business.

- **Raw materials:** I think I mentioned these minutes back. Raw material cost was too much. You know the materials we have to use, the majority of it is imported it was a huge problem. You import today, and the exchange rate has gone up and your cost has increased. You will struggle to manage that and hope it will get better next but you go back and it's even worse than before. That was a huge problem in the past we had to deal with
- **The art part of our design:** Designing the shoes to be unique was another challenge. The thing is in Ghana once a product is doing well the boys (shoemakers) who know how to make them just copy your design and produce same. Before you realise you will start seeing other people selling a product very similar or the same as yours and these people wouldn't have purchased them from you too. So, the challenge was coming up with very unique designs that are hard copy, so we can retain our originality at least but that was not really possible. And going to employ professional designs is no something we considered because we can't pay the ridiculous process they will demand. So, what we sometimes did was to make check online and look at all these famous designers' brands—all these Gucci and Louis Vuitton etc—and then we will try to either copy some of their designs or modify them at least and produce some locally to sell.

To be able to attract people you must be “made” as our people say. You must move from under the tree. If you want people to join you, you must be higher because people work for the business name and the brand and not the money. If your brand is popular and it commands respect people are ready to work for you.

So that should be the main ones. There is a way you have to work if things are hard. For materials, we would just search and find the most affordable for us. For money, we just made sacrifices and reinvested with sacrifice now enjoy later mindset.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

That is quite straight forward. When business is good, and you are not making loss you can tell you are getting things right. And when your customers are always telling you how good your product was and even how they respect what you are doing then you are doing things

right. You do what you do well, and it attracts. Aside from that we also get feedback from customers which also helps.

5. *When you have made changes to your way of doing business, how did you assess the results?*

That is quite straight forward. When business is good, and you are not making loss you can tell you are getting things right. And when your customers are always telling you how good your product was and even how they respect what you are doing then you are doing things right. You do what you do well, and it attracts. Aside from that we also get feedback from customers which also helps.

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

We don't care about the environment we just make a way for ourselves

7. *What will you say are the external factors outside your business that impacted you the most and why?*

None at present. We just do what we have to do and try to follow the rules. That's it for now but maybe in future, it will change in future.

You mentioned safety but for us there no safety tips imposed on us that we must follow. We just use our common sense like I was saying. For when we want to get information, we just research with our phones on the internet. We have not had to go chase for extra capital, but everyone knows that is hard to get. But even with that, I think the situation with extra capital can change if the incumbent government's mission for a Ghana beyond aid works successfully.

For well-trained and educated has not changed. Getting people is hard. You must do business and do it on a bigtime level to attract workers especially graduates. And this has not changed now; it's on and off. But we are working to get it changed. People dislike handcraft trade because the older generation failed at making handcraft an attractive business. I want to change that. I want to change that notion that hand craftwork like ours is for the poor and uneducated

For agreements, they don't run smoothly. For instance, we can be working, and the lights will go off. Agreements are had to follow you know. Light is expensive, and even struggle to follow it.

About the norms, the thing is you need patience with people. Especially the art guys. The ones that do the art and design for us, so we base the shoe production on. You need a lot of patience to be able to deal with them because they have a lot of egos. Some retailers too are egocentric because they have the terms they demand. But for us, we don't let it extend to us and thus their buyer power is challenged in our situation.

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*

No particular laws pertaining to us. Since I have been operating no one from the government has come here to tell me of any laws I should follow or even tell me if am breaking any laws.

We just try to be good citizens and now not do anything we think may be illegal

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*

- e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
- f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We are on the ground, so we see what is going on then we let that guide our actions. Like we see what is trending and what is popular all around us on tv and on social media, so we just watch and see what designs are moving and then we develop products based on that.

- 3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

I've not had any situation where I've had to look for extra capital, so I can't say much on that

- 4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

There are always people looking for a job so that is easy. We have to sometime tell people we are not employing at the moment just for them to leave us alone. Even with that, they keep coming to us every time asking for jobs.

- 5. *What is the situation like concerning contracts and agreements?*
  - a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

We are not in a situation where we have to, so I can't tell. And this has always been the situation. And to be honest I don't see that changing at all

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
- a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

I don't know how to answer that question (smiles). People do what they have to do to get by. Everyone in business wants their business to do well and they do what they must do. For me, what I can say is I do my best and work hard with my employees. For others, I guess they will have to answer for themselves

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

None I can think of

## **SECTION F-COMMENTS FROM PARTICIPANTS**

1. *Is there any other topic or issue you deem relevant that was left out?*

If something can be done for the banks to support us that will be very good for us the local businesses

With raw materials for producing shoes, we need an alternative source locally. The imports of these raw materials must be reduced

Manufacturers like ourselves must be supported and their work must be made easy especially when those of us in that line of business can end up growing and contributing meaningfully to the economy



## INTERVIEW WITH BUSINESS C

### SECTION A-The Present way(s) of doing business now.

2. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

**Value proposition:** The way the industry is taking shape now is very different, very different from what I have discussed about the past. Now, clients are beginning to create their own in-house teams. It is becoming very common now. Up until two years ago digital capabilities of clients wouldn't have been a problem. But now it is. Now, the more technologically sophisticated our clients get the more we have to worry because it means they are not going to need us anymore. Whatever it is that we can do for them they will be able to do it for themselves. Even aside from that, there is an invasion into the market by freelancers due to technological advancements. Most people like I mentioned earlier are now setting up marketing and advertisement agencies because technological advancements have made that easy. Digitalisation and improvements in technology have taken the power from production houses and media houses too. Now, anybody (individual or business) can get up, bypass the production houses and produce their own media content, then proceed to bypass the media houses and publish their content for little cost or even free (via YouTube and the like). Half of the budget of clients that used to go to traditional houses now goes into digital outlets.

Money clients spend on marketing is now difficult to justify and this is affecting us.

Almost any proposition we can pitch to clients to convince them to use our services can be matched by freelancers and the new entrants. But even that aside, clients can now ignore all outside appeals and do their own thing. Digital ads too are now pervasive and are being used increasingly. The thing is digital ads can be tracked and traced, unlike traditional ads outlets. But what many clients don't know is that enquiries spring from traditional sources is richer in that are likely to bring more business and that the enquiries from the digital sources are not so rich. Digital outlets have achieved quantity but not quality whereas the vice versa is the case in traditional outlets.

**Target customers, Customer relationship & Channels:** Our clients are businesses. Businesses of all sizes. So far as they can afford our services they can become clients. The



way our industry is relationships doesn't really matter much. You do a project for a client and you may never hear from them again. Some too will become repeat customers and even friends that they do referrals and get us other clients or maintain an ongoing relationship with us; which is not always commercial. For channels, I don't know how to put it. They contact us and we deliver for them as per their requirements. Although every project will differ in terms of delivery that's how it basically is all the time.

**Cost:** Regarding how we do business our cost centres haven't changed but revenue sources have changed drastically. Our costs entail utility bills, salaries, rent, vehicle running costs and internet, but salaries and rent constitute our main costs.

What makes our business unique is our ability to operate low cost and make money from printing houses and media houses. Continuous optimizing is what most clients pay for and so one of our uniqueness we have developed is to help client optimize their present marketing and advertising efforts. This is a thing most of our competitors wouldn't do because—I mean helping clients to optimize—this means helping clients to do basically the same thing we would rather they let us do for them but at a reduced margin. But to us, this is better than letting customers go and finding a solution elsewhere. We would rather take half a loaf than to lose the whole bread.

The digitalisation may have taken a lot of our power and competitive edge away from us, but it has made us stronger too in certain areas. Digitalization, for instance, has brought data analytics. Data analytics is now driving the digital age of agency, which is an arena we must and are seriously looking to venture into. Another way we keep thriving is through treasury bills and forex buying using company money. This we did using the excess cash we have as we have been cash flow positive although profitability is not as it were.

**Key partners:** we don't have any.

**Key activities:** the designing and creating process. You know our kind of work is more about creating something aesthetically unique so that is our main activity.

**Key resources:** This will be the staff we have. Because designers are not the same. You can find some designers who will create a piece of work for you that no matter who you show to they will say it is nice. Even the harshest critic won't be able to find fault with such a designer's work. So, the people I will say. You know as the saying goes, your best asset should be the people

To summarize the main things, you wanted me to touch on, our main value we deliver to the customer is the professional marketing and advertisement services. We make money for

ourselves when they pay us for work done, and we are able to cater for all our costs using that money. The main cost we being staff cost and rent as I have said. We don't have any partners or strategic alliances and the only key activities for us is the design and creation activities. That is to be able to come up with something creative and outstanding in an aesthetic sense. That should be it.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

In the past when a company wanted to make when a company wanted to put out an advertisement product the following would happen. They will get in touch with us, we will develop an advertisement package for them, be it video, audio or print. In the past, I was mostly videos that companies contacted us about. There were others, but the video contracts were more. So, they would get in touch with us with the idea that they have, we will see to the entire of production the advertisement video. Then after that, we will charge them for work done, that will be fixed and then we will charge them for every time the advert aired. This is way back in 1997. That is how things were back then. Then, the industry walls were thicker. There was a thick and unpassable wall between media houses and the companies for some reason. There were production houses-who would produce audiovisual content-and media houses on one hand, then clients-mainly companies-on another hand and then there was a thick wall between these two ecosystems. And then it was us the agencies between these two ecosystems. I think it was mainly information asymmetry and maybe the absence of internet use in Ghana back then. Companies didn't know where to find the media houses or at least many didn't. where they could find them too, they couldn't be bothered with producing advertisement content in-house, especially for video and audio adverts. It was too cumbersome to a high extent. The whole process of having to produce a video or audio advert was hectic and after that too the company had to locate the best media outlet for its advert and then be left with no assurance of their adverts being successful. This problem made our business very attractive. Because we could just go to companies and say look, we can go through all that stress for you and do all that for you for a cheaper cost that

for you to do it inhouse. And then on top of that our adverts will do well than yours because that is what we

do. This pitch worked so well for us for several years until 2007 years when the walls became less thick and so the customers could find the media houses themselves. Internet and ICT contributed to this you know. Now everyone could find the media houses and the production companies (i.e. firms media content producers) and thus would not have to go through us to find them or even go through us to produce media content which we will later charge them to have it aired on any of the media houses. So, the past business model we used wasn't transparent and the information asymmetry made this possible; but the digital economy has disrupted this.

Now, because of the advances of ICT and the internet in the digital economy, the Media houses and production companies started talking to the clients directly without going through us. the two ecosystems could now reach each other and transact business. Another thing also is the developments in smartphones and media production technologies (video recorders, cameras etc) our clients now started creating their own content without coming to see us. Whereas in the past they would have come to see us and then we would create the media content for them by working with the production houses, now, they are either creating the media content themselves or they are going straight to the production house to have it done for them. You see, now most clients have their own in-house media production teams because the machines and equipment needed to produce media content (cameras etc) are now so cheap they can afford it. But in the past, this wasn't the case, so they had to come see us and we will get the production houses to do it for them since only the production houses could afford this equipment. Aside from the clients creating these contents themselves now, there are several people out there doing media production. Any young man or woman who gets his or her hands-on media production equipment starts a media company, and these people actually do a good job you know. So, some of these young people starting out are also going after our clients and they are competing with us in a way.

In the past, there were two major advertising agencies (namely XXXX and XXXX) and the rest of us were all small players. But when the disintermediation started XXXX sold out their business and XXXX are struggling at the moment.

The power of we the agencies as agents has reduced and is reducing. The bulk of our revenue source went away after the disintermediation as the media houses and the productions companies started going out to the clients straight. Now, prices are very low in the industry due to all this and there are so many options available to the customers. Pricing, now, is actually a problem as clients have become used to low prices.

To sum up, I think our business model is not what it used to be as the industry has undergone radical changes

**SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a. Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

I'll say 5. Our business is not what it used to be.

The key changes have been: revenue sources, competition, local power outages (electricity), value proposition-it needs a rethink. Where our revenue is coming now has changed as opposed to the past. The competition like I have been mentioning is overwhelming now. as for the power outages you know, this is Ghana. And with the value proposition like I said it needs serious rethink otherwise next time you come around, we will be gone.

You know, the industry has changed so much due to the advances in technology that we are not the same business.

The sources of revenue have had to change. We wouldn't have wished so, but it has changed. And the reasons for this is what I have already touched on regarding the changes in revenue. Competition, as I have touched on have changed dramatically. There are new entrants who are challenging our value proposition overwhelmingly. Power outages have been occurring in our area and it has affected our business the value proposition also, it needs serious rethinking as I have been highlighting all in our discussion.

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

The causes of these changes are external to us and in the industry. It is beyond our influence. We even considered merging with another firm at some point in time, but it never happened.

I would say technology mainly. It is what has made it possible for our customers and the media houses to link up. And it is the same with the competition. Everyone capable is entering the industry to compete with us all because they have easy access to the technology they need to do exactly what we do.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

When there is a board-level meeting that is when we change things. When things are not going well or whenever the business is in trouble the board sits and discuss things and decide what the way forward will be for the business. Then the rest is up to the rest of us to execute.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

The same as I said in the previous question. The board will meet and discuss things whenever the business is in bad times. In such meetings, a way forward is discussed and decided on which then has to be implemented accordingly. I am the one with the guys here, so I have to make sure they understand exactly what they have to do to make it possible that we achieve what the board have discussed

5. *When you have made changes to your way of doing business, how did you assess the results?*

There are no enabling factors I can think of because there haven't been any. We just have been muddling through, to be honest.

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

Business performance. Whenever we make changes, we expect the business to do well. Once you make changes and the changes are good ones you will definitely see the business



perform better or in the anticipated ways at least. For instance, say sales are dwindling and we decide on some marketing and sales strategies to correct this. Then we will expect that there will be a turnaround and sales will start increasing in some way.

7. *What will you say are the external factors outside your business that impacted you the most and why?*

Well, I would say technology, if that makes sense. The increased advancement of ICT affected us in that it leads to more people entering the market to compete with us. that meant that we have to always be on our toes and be changing things. And we still are. Like, you make some changes here and there because of some new developments in the market. Then within a short period of time, you see that things have changed again and there have been some new developments and so you must change things again to adapt. Technology meant that we had to make so many changes usually within short periods of time which added to the level of complexity we had to deal with.

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
- Has it always been like this?*
  - How was it like in the past compared to now?*
  - What have been the changes?*
  - Do you see this changing in the future?*

No regulations. There are no regulations except with cases like food adverts where we need to do some sort of clearance from the FDA (Food and Drugs Authority) concerning what we say in the advert

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
- What has it been like in the past compared to now?*
  - What has been the major changes?*

- c. *Do you see it changing?*
- d. *How do you get information about the market?*
- e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
- f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We get information from most of our clients also through referrals (via clients who have been referred to us). My own personal connections and even that of our employees also. After we get a contract, we also do some on the ground research from the clients and solicit more market and customer information from them. On a large scale, information is not available. Especially industry information, there is none. For instance, there is not information database for the creative and advertisement industry that one can draw from or consult for information and so we have to always do our own research. I don't see this changing. For there to be like a large scale information body or information on the industry? No, I don't see that.

- 3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

On extra capital, we considered merger a year ago but changes in shareholding positions and percentages deterred us. We have never approached any financial house for loan. But there was one time that we really needed extra capital. We needed it to buy machines to do some type of flyers, but we didn't go ahead with because the margins were too small.

- 4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

We go to universities to look for designers, copywriters, contract managers etc at career fairs. We also get those that are good in the academic exams. We approach them and take it from there. We take mostly students from Ashase and KNUST. With these students, we start them off with national service and then after making them permanent

5. *What is the situation like concerning contracts and agreements?*
- a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

This is an area we don't have problems with because they are adhered to. There is signage of non-disclosure agreements etc and that is how we're able to ensure that contracts and terms are stuck to. Our experience in this particular area has been good.

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
- a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

I think it is strategically withholding information. In the industry, clients don't what our cut is in deals. We give them different details to clients and different details to the media and production houses so as to increase our cuts. Those of us in the industry have to do this so we can always negotiate better and get a good deal

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

Basically, the digital media and its influence. This is something that is beyond us and we have no ability or power to control. Also, the easy access to information that our clients have is one. Clients having direct access to media and production house because of the availability of information about them and where to find them have impacted us. Because the more these clients have access to the vendors the difficult it gets for us to convince them of patronising our services.

Also, the cost-cutting that is going on in businesses is affecting us. the mere fact that they all want to do their own thing in-house and that they have to replicate our services in house has been a major blow. Again, another thing that's beyond us but affecting us.

## SECTION F-COMMENTS FROM PARTICIPANTS

*1. Is there any other topic or issue you deem relevant that was left out?*

No

## INTERVIEW WITH BUSINESS D

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

**Customer segment & value proposition:** I am into events planning and I do printing, I do advertising, I do media buying. I deal with like P&G and the likes that's like when I must do a product launch. I've dealt with the XXXX, XXXX, XXXX and all that.

**Channels, Key activities & Key resources:** Now the thing is that when I started the business it was just myself and then a secretary and we were really in an obscured place. So, it was like two of us in the business at the time. So, I did all the marketing, as I went around to look for customers, I link up and do more networking with like few people who tell me you can do this or that. So, I planned my first furniture fair in 2010. Still, it was only two of us but now you are looking at about 12 people and I have subsidiaries right now. I have John

Possible Stores which has 3 branches that deals with selling horseman shoes, made in Ghana shoes and I have XXXX. XXXX is into tracking devices and software. So, the XXXX itself is really the mother. So, I have defined a certain area which is called the awards which celebrates excellence and that is where we do the 40 under 40 awards, the manufacturing awards etc. So, the 40 under 40 awards, it is our trademark, we own it. Then we are the same people who did the Ghana Oil & Gas Awards and currently insurance awards. So, XXXX can define itself in some ways as the awards system but apart from that we still do a lot of conferences for clients and all that.

So, basically, XXXX has been the name. I mean from the very beginning when I chose the name. When I finished school, I had a very small thing called XXXX, but it was not really a business. What I was doing was looking for adverts for people and their magazines to get money. So, I make a percentage of whatever I bring to them because right after school I decided not to work for anybody, and I haven't worked for anybody till now. So that is when I took those decisions. But let's say when XXXX started, I mean, the point was freedom. For me I thought the freedom of the mind is needed, freedom of the person is needed. Because, sometimes, a lot of things we are not able to do it because we are not able to free ourselves from our own mind and self, so that is why I connected words to get the XXXX from the

bible. But I took the “E” off so that we will have that uniqueness around the name. So that is how we got off the ground. It was 2 people, came to 3 people, came to a small office with 4 people, then it continued till where we are now that we have an accounts department, we have an events management department, with an events manager, we have a sales executive, we have a front desk and a personal assistant, and also, we have a designing department. So that’s how the structure is working right now. So, when you ask me of a model, I don’t follow these scientific models and all that-I must be honest with you if that is what this research is looking for- because I enter into something and I move. I don’t plan, let me just let you know. I don’t plan. When I say I don’t plan it doesn’t mean I don’t really plan for anything, but the point is that I move to get things done. So irrespective of the model that says you must pass through managerial processes, scientific process etc, I don’t go by that system and I haven’t failed. So, it has been like, you know, when you see hot water and you want to wait for it to cool down? Mine is to step into the hot water and then find a way of cooling myself in the hot water. So that’s the whole system. I will tell you, it’s based on the principle of faith and moving without giving up. That is how come it has been that way. So, trying to get things done, creating ideas, sharing with my people here internally and then we agree, and we go by it. That’s it. It is now that I have structured a task system where we are paying tax, I’ve been paying SSNIT now for some time now for 2 or 3 years. So, I was not doing all of these but now I know the structures are there now and that in 2 years’ time I want the business to be able to run without me being at the front. I mean so that I can just direct things at the back and probably go for some quick quick meetings and come. So, it has started like that now when people know their responsibilities and so I don’t know if this is exactly what you are looking at.

Also, we started the business in like 2009,2010 thereabout but 2010 is the date officially as prior to that we were not registered and all. But 2010 is when we really set up properly and started trading so we are entering our 8<sup>th</sup> year.

So, as I said, in the beginning, it was like looking for and creating an event. We created what we called the furniture fair, it was an exhibition. So, we created that on the side and started doing it from the beginning. We wanted to have a regular income, something that will be running every year, so we run to about the 7<sup>th</sup> year and I stopped. And also, we were chasing for some products sellers to be able to sell and maybe market and do exhibitions

for them. Se we had XXXX and then we did an exhibition for them in Kumasi and the other company

I mentioned, XXXX. So, we launched the products for XXXX in 2011. these were some of the things that we were doing. We were very small but quite, fortunately, we were getting some bigger clients and bigger projects to deal with. The whole thing is that, as I said, is aggression, you see? When you sit, and you do not move, my belief is that you miss opportunities, so networking is what I do. So, most of the times I don't lose contact. So anytime I have a contact I don't lose it so on my phone I have about 3000 contact numbers and it includes carpenters, it can even include a mechanic. So, if am in Osu, there is a mechanic I met in Osu and I need his assistance or anything I'm able to call on him, the number is there. So, these are contacts that I have kept so the network system I build is how come I am able to get more clients and then also some people make recommendations as well. And because they also saw the young blood nature of me as a young man coming up, at that time I mean I was 28 or 29 or something and they thought that, I had the guts to achieve so there gave me the nod. Also, I had a very low pricing system and yet I executed. So, I penetrated the market. In most jobs, I bid for I was mostly the cheapest. I did such bidding involving myself and some other big guys-Charter house etc-and I beat them. Because with me I was not going to charge you a lot on a lot of things. For instance, using a projector and I was going to charge you VAT on top? No. It was not making any sense. So, I had a system of penetrating and I had an energetic team. You understand? Bringing members together was easy. Because when you organize an event over 4 days and you must bring a lot of people together to make it happen. So, is the energy and then the ability to also penetrate the market at very low pricing. So the principle is, still, up till now, if you give us a project and we will make a little on it? That is fine. It is ok. We don't like losing and turning jobs away because the money was small. We don't do that.

So, for now, we have grown bigger because we are dealing with a portion of the industry.

**Key partners:** We don't have partners, especially for the events part of the business. We have grown bigger and we are able to handle things. The only partnership we have is in one of our subsidiaries where we partner with a foreign company in Japan to sell a certain brand of cars in the country as sole distributors. And with another one where we have this agreement to sell tracking devices. But even with these, it's not like a partnership where

they own any stake in our business or anything like that. No, no, no. We are still privately held. So that is the award side of the events industry and that one is purely recognizing excellence. So that one is purely tables that we sell. We do an event and we sell the tablespace on the side. This is part of the ways we get money that I was talking about earlier under how we get revenue. We do conferences too. And conferences as I said we have had recommendations and we have done conferences for people in Nigeria and all and that is on our records. And we are on the internet as well and we have a website so sometimes people look for us on google and they say we want you to do this and that and that for us. So, we are dealing with the bigger picture for now and for some of our subsidiaries. For instance, the one that sells the shoes, we are doing a lot of social media stuff in order to get sales for the shoes and then with the tracking device too we are doing online advertisement in order to be able to get market.

The business has an idea in trying to secure itself by getting not only events money but also getting some daily or monthly consistent source of income in order to survive the business because of the salaries you have to pay. And we were not paying a lot in terms of salaries at that time but now we are paying a very huge amount of money to people and all that so that is the real difference.

We are doing business proper now, there are receipts, you know, there is the signing of documents, you come to our office and there is a process that has to be followed. In the past, somebody comes in and they will meet me direct. Now, when the person comes, they have to see the PA, the PA will come to me, you understand? So, there is a structure in there and then we have an organogram, so we know where everything is coming from and who has to do what. We didn't even have one car but now we have about three vehicles we use and all that.

**Key resources:** We have ventured into a lot of things you know. Because we are into events too, we acquired our own systems, we do our own decorations, we have our own chairs, we have our own sound systems, we have our own stage, flag poles? We have it. So, we rent to others on the side and we use it also on the side, so we don't go to rent when we need such equipment for our events. So, when we are doing events instead of going to now pay people for chairs and all the other stuff that we will need for our events now I don't pay again. So, we are an events company that has grown and diversified into other



businesses just to ensure that there is a consistent inflow of funds to help the business meet its various operations costs.

**Cost:** The event management part now we have our own materials whereas in the past we used to rent materials and equipment. So, these machines and equipment and what it takes to maintain and store them constitute our cost. But salaries, utility bills for office, money for marketing and networking also are part of our cost. I mean, you know that you must pay salaries and with the other costs too you can't escape them.

**Revenue:** As for revenues, it comes from the monies we make from the events we organise. That is our charges and the difference between the total cost of organising an event and the proceeds we recover from the event. Or it can be the difference between the contract figure for the event and how much we spent in organising the event. There is always a mark-up or markdown somewhere and that will be our profit or loss. But we also try to sometimes get sellers of certain products to be present at the event and we take a cut on every sale they make, or we charge them a fee to be able to sell on our event and that can be good money too sometimes.

You see, one of the basic elements is ourselves, so if you are not able to control this flesh then you end up giving up. Your desire must be very big. I've met people in my own journey that is very big, you know like godfathers, and I mean they will never give you money. Yet they are signing bigger checks and all, but they will never give you money.

The drive is that the vision was clear in my face and I knew what I wanted to do. I didn't lose focus on them. I didn't give up and I think that is the problem with the Ghanaian. And also, I don't believe that things are impossible. I mean there are many awards I have introduced that I have had challenges, but I have overcome them you know. Anytime I introduce something I mean somebody wants to copy me, but execution and class are where I have always excelled at. So, me and competitors some may have done awards and all that but every time I introduce a new thing, I innovate something that you won't be able to outdo. I have consulted for about 3 awards in this country where they basically did things that I had done in my events previously.

So, I follow these principles of the 4 D's: desire, decision, determination and discipline. So, you have to desire, then when you desire you have to make a decision. And then from there, you need to have discipline. So, desire, decision, determination and discipline. So,

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discipline too is another thing where you don't sleep too much. So, I say if you are sleeping 8 hours you can never be rich because the point is that if you have so much on you then if you wake up at two then you have to think and do a lot of things. The point has always been that, move! Look up to other people who have moved ahead and then also saying I can't let my family down. Once I began, I said I won't work for anybody, so I needed to make sure that I will have enough money that when somebody comes, and say come work for me I will give you GHS50,000 I won't go. So that is it. Me and my competition when I am executing a project, the competition and my class? They can't match it. The class that I put in my work they can't match. Like you come to my event and you leave with a certain lapel that you

can't find anywhere. Or like you are at my event and you see your company's logo on a bar of chocolate? There is always a peculiar thing I introduce at my event. When we do an event as well, we try to add something that event the client won't even expect. Like we try to go over the budget of the client and put in somethings with our own money. All in an attempt to please the client. Like we did an event for XXXX, they came down to the event and they all got a Kente (i.e. traditional cloth) and they all were so happy; like where will you get that? We try to give something that will get them to say I will like to go back to XXXX. Do you understand what I am saying? So that is what has kept us over the years.

## SECTION B-The past way(s) doing business in the past.

2. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

Like I have been saying. It's been the same and similar things from the start only that in the past we were smaller than we are now. Same things, like me, starting alone with a secretary, you know, having 2 more people join, and then another, and then another until we got where we are now

## SECTION C-Change(s) that have taken place in the way of doing business and context.

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a.*  
*Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5
I will about 4, if not 5. Because it's an empire now compared to what it was in the past. You think about it. It was just me and the secretary and then people kept joining and we kept growing till we got to where we are now. the same things I've been saying. There was no structure at the start but now there is. We pay SSNIT, we have certain roles which were not there in the past. Like the operations guy, the events manager, and the others. The clients we deal with has grown too, and the contract size. Like at the start certain					

businesses wouldn't even consider letting us handle their events but now we have a name and a reputation and sometimes people even hear of us and contact us. So, the client's size and the contract size has grown. We have our own equipment now, so we rarely rent. We have subsidiaries under the mother company, which is the events one, and this has multiplied our revenue sources. So yeah.

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

I will answer all the questions together, okay? Because of the changes and what drove them and then the challenges and what was enabling us to overcome them. Because all them is interlinked in my view. And the last one, the results assessment thing. I mean when every business is doing well you see the money and contracts coming in. Otherwise, we close and go home.

Employee behaviour, if I employed someone, I realised there was no job contract and so there will be an issue and they will behave anyhow. So, I structured things and then now if you want to leave you must give me one month notice before you leave because most employees were using the job and leaving just like that. They were using the job as a conduit. So, employee behaviour tells me this and when I noticed it, I realised things had to be changed.

Need for expansion too. So, you realised that you can't be at the same place forever and so there was a need for expansion. And in expanding you realise that you have to move over from a small office which was like a one store somewhere and then move into a different building and then have other departments with other people joining the business. And the point is that the business was growing so the contracts were coming in and we were receiving monies that earlier on you could be receiving only GHs1000 but now you were receiving GHs 100,000 and GHs200-300,000. So, I mean once the business was growing the business needed certain things like a very good printer. It needed certain things like paying for the internet or increasing the internet this thing so that we can have more access and all that. The business needed you to get a vehicle because you realise that you take taxi and transportation was killing you so why won't you go and buy a car, pay it over a period of 6 months and

have a negotiation with them because you are doing 1 or 2 awards so when you appear people know that you are the man.

Sometimes I also take advantage of the circles I find myself in. So because of that transport here and there and all that, I thought, buy a very nice small car and then I got it. Also, I said that I was paying too much outside to people. So, I wanted everything to be indoors, so that is how come. It means I had to move and change and get equipment to handle my events so that no resources are down here.

Training, very important because I realised that I need to train them on file handling. So, bring people in to come and train them. Healthwise I don't train. And not they are ready. So now I'm looking at how to give them leave because I realised that people will intentionally get sick too much. So, I have to give them leave so you don't get sick plenty. If you get sick plenty out of your leave it is your own matte. And then so that they will not feel like other companies are giving leaves and all that. So, these are the things that we did. And I also introduced allowances because I realised that people are working harder than the other so introduced an allowance system. So, I think I've mentioned more than six changes, right?

So, if you look at it, that's it with the employee behaviour. Now also vendor conduct, the conduct of vendors and also the high cost of things out there when it's not owned by you. You understand, and you want to bring it in. You are looking at transportation problems where you need to effectively execute something, but you have two dispatch riders who can deliver it in a time and one of the things that the client liked is when I deliver something, and I deliver it on time that it when they are happy about it. So, once you promise, we are pricking cash up at 9 am, kpa!, dispatch is there. So, introduced dispatch, where one is handling a shoe company, he delivers the shoe to people, people don't want to walk to the stores anymore. So, I solved the problem of transportation and all that. I've solved it, I've given convenience to those customers because of the sophistication of the customer. So that's how I also introduced all that. So, I think I've given you all the reasons

I mean when I notice a problem in the business that needs me to act, I take action. I don't sit down and wait for anything special to happen or anything of that sort. Once I see a problem, I solve it. I don't wait for it to develop into something big. Like when I noticed people were working hard than others? I just introduced an allowance system. Things like that.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

I already told you that I don't use these scientific models for management and stuff. We move and take action. But that doesn't mean that we don't plan either. You see the thing?

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

I think I have mentioned these all in answering the other questions

5. *When you have made changes to your way of doing business, how did you assess the results?*

I think I have mentioned these all in answering the other questions

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

I don't know what you mean by that. I mean, when you are making changes you will always face some challenges, but you have to keep on moving. Like I said when I set to do something, and I set a date and a time it must be done. Also, the things outside the business we can't control them, so we have to keep finding a way. So, the thing is this, most of the changes we want to make I'll say it's not the environment or outside that is the problem, but our own selves. The problems are always more within and if we find a way to solve the problem within what is outside cannot stop us. I don't know, I don't know, what was outside of the business that affected us? I cannot see anything; the main problems are the one I was just talking about and these were mainly things inside. And I needed to find a way to deal with them. I don't know if that answers your question

7. *What will you say are the external factors outside your business that impacted you the most and why?*

The most? I don't know, how will I even measure it. Sometimes things are bad and other times they are not, but we keep moving. I mean all of these things that I have been speaking on are interlinked and I can't say one was worse than the other. They happen, and we have to find a way to overcome them without giving up. So, I can't see one problem really affecting us the most and me saying it is unbearable. All problems are barriers that I think and know can be overcome so we see them all like challenges and we get to deal with them and keep moving

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*

I mean the regulatory systems of the country I had to follow it. I mean am scared. If I don't pay SSNIT etc I get into trouble and tax and all. Because I was going up and my business was really out there, and everybody was getting to know us. In the past the point is that because is that I was still coming up and I was very young and also small I didn't even go to these regulators to ask them about my taxes I have to pay etc. in any case there was no money so I didn't even know what was there to pay to the government but now that I am making some money I told my staff instance I will pay their SSNIT for them so that they also get something and remain happy where they are because sometimes employee moving from one place to the other is not the best so you want to keep that down and keep your staff. So, the impact here is more positive here and I can also speak to other Ghanaian entrepreneurs and tell not to do that.

So, I can also speak to other entrepreneurs when they are not doing that.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

So, because I have done most of this myself whenever I see any award being done in the papers, I look to see who is behind it and all that. You know so I find out myself. Also, the ones that I have consulted for like I consulted for the XXXX awards and XXXX and so when these ones I have consulted for you get information from them on the way. So, one thing is I keep certain things out of what I teach people I mean you may have everything, but you can't have my energy. My energy is crazy. If you are working with me right now you can't have my energy. So, I get feedback and I hear "oh it's okay it's okay" so I know what I am doing is going on well. So, the information, most times I get information from the web and all that. So, I am able to get to know what is going on in town. So, most of my guys are in China so now I have for instance see this device that I know can be used to excite my customers in a new way so am trying to get that into the system. So, this 3D hollow display system I have in mind that I want to use. Like when I get it and there is an event going on, I can project it and all that. So, am looking at advancing and changes things all the time you see. So, I look around a bit you know, and I learn. There are at times that I have sent people into awards to go there and see what is being done and spy and come. I mean to just go there and eat and then come and tell me what is happening there, how things are being done, and what the standards are so we see how to beat them. What were the negatives, what were the positives and then we add up. Especially if want to do an award you need to find out what category you have to go into and all that. Because some of the awards ay have happened in other countries so you have to find out what they did what the problems were what models they have followed and then you learn from all that and then you do good research and come up with something that will stand out. You don't go and make mistakes that could have been avoided and all that. So, in my awards, there is an awards system an all that and a whole



technical committee that looks at things that are going to be done before we send it to the board. XXXX is one of the firms that help us do this so before we bring something out all this work will have taken place so whatever we are bringing out we know it's going to be good.

3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

I have never taken any capital from anywhere. If I have taken a loan it is my own cashback that I am taken. when I started, I have relied on myself because I have always said that you don't need capital to start a business. you see when you have integrity you don't need money because when you have integrity through links you will be able to meet someone who will hook you up to a contract. So, it's not money, network can bring your business that can then bring you the money. Like when I did one of my first events I got connected and got the money paid in my account event before I did the event. Not all but some of the money which was enough to run things. You see, what I have done is, in other to build more capital when I got my event money, I diversified into the shoe business. So as for the shoe business if I am hungry and I pass by the stores right now they can give me GHS200 or GHS500. And I also invested in the sound system business. And now it is being rented for GHS 2000/3000 right now. Some even are flagpoles, it is being rented for GHS80 a day. So, I am versatile. I try to make sure that capital is coming from all angles. So, if I say I do shoe business for a long time and say I build up GHS10,000 if I there is a problem in event and I don't have money I will go and borrow money from there and use it for the event and when I have it I will send it back. So, the whole business is borrowing itself and supporting itself without needing any outside support. Even when I have the need for money from all these savings and loan people it is my own money that I have there with them that I am using as collateral, you know. I don't need to go and carry a car and send it as collateral before they give me money. That's the whole essence of having the subsidiaries. You get money from there when you need it, so you don't have to go outside and chase anybody to help you

But in the beginning, when we made the small money it was hand to mouth. So, your family had to depend on you. That means now you must set up your wife to be able to do something for herself, so you solve her problem. Then you realise that you have so many assets now

and so if the business is going through any problems you can fall on it. I mean right now if I sell 2 or 3 cars it can earn me about GHs200,000. So, the beginning it was not like that. You receive hand to mouth and then the rest you use it for office bills and telephone bills etc. these were things we were paying for gradually, then you pay 1 or 2 people's salary. So, we have never been in situations where we had to buy a lot of things. The first thing I had to buy was a camera and we were renting it out then I used that money to buy a taxi for someone who was doing work and pay so that brought some money in and so even that time in early years we didn't have to go out there and look for money.

4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

In the beginning, the problems were less because we had fewer employees. But now it is different, and you know Ghanaians are mostly lazy; most of them. So, when you take on people, they tell you we can do this, but you put them on the job and they can't do the same thing they said they could, and they give you a lot of headaches but, yet they want more salary. Meanwhile, they came in with the salary they agreed to but very soon they say add some, add some and all that. Also, people don't have the drive that you have for your business, so you have to drive them. If you leave it for people, they will just mess it up, so you must lead. That is why I believe in leading from the front. So that's why I say if there is a gunshot then let me receive that gunshot, I like it that way. So, every I take on I give them the contacts list to work with so if you leave my business my contacts are with me.

5. *What is the situation like concerning contracts and agreements?*
  - a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

Oh yes, we sign contracts most of the time and they are adhered to I mean the whole point is that sometimes you talk to people and they will like to not turn out on time but now you tell them, sign this contract if you don't come on time you lose some money. The people who give us bigger jobs too we sign various contracts with them, like okay this is how much you will be given, this is the job requirements and details etc. so you must not then follow these because else you end up losing money. Like there was this time there was an event we took on and during the programme, there was a blackout for some minutes and so the client took GHs4,000 from us, that is how I learn my lesson.

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

Generally, misbehaviour, absenteeism, social harassment and all that, damaging our cars and all that. So, there are some behaviours, use of unnecessary and vulgar language and all of that and I mean these are clear things we don't do here. So, when we were coming up, we had our own thing and the made it like we were a family you know. Also, like people can't form unions because this is not the kind of industry for all that you know. It's just what it is.

## SECTION E-INFLUENCE OF EXTERNAL FACTORS

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

I was going up and my business up there so if I don't pay SSNIT everybody will know about it and I could get into trouble.

Another thing also that has impacted me is my circle of entrepreneurs like my own colleague entrepreneurs. When I say impacted, I mean I look at how they are moving and I try to do same. Sometimes it's not a competition but you look at them and see what they are doing, and you try to move ahead as well. So, my circle and all that. And also, for me I had an inner joy. When I am moving forward, I am happy. When I sit in a car, I am very happy. So, when I started, and I used a BMW 316 that is the first car that I used and sold and up till now it has been sold to the third. And then gradually gradually moved on to a bigger car. So, the inner joy that I get when I achieve is what really drives me crazy. Like when I say we will do this thing by this day and I give the date, I won't change the date. It must be done by that date. So, if I am able to achieve that and I finish, in all the struggles that come to me, the way I will go to apprehension and all, when I am able to achieve that thing, I get inner satisfaction. Then I move on to the next thing

## **SECTION F-COMMENTS FROM PARTICIPANTS**

*1. Is there any other topic or issue you deem relevant that was left out?*

No. I think I've said all that I wanted to say

## INTERVIEW WITH BUSINESS E

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

We have been in business officially for three years. People sometimes have mistaken me working for companies as still time for the consultancy because around that time as I said I was still giving free consultancy to companies as in SMEs. When I was working for the big guys, I was helping others grow, the small ones grow. So, at that point, I was doing it for free, but people still think because I helped them out, I was their consultant. So, most people wouldn't say it is 3 years but I officially through the government say its 3 years.

**Value proposition, Key activities, Key resources, Channels & Target customers:** E is a consulting company and we provide food safety upgrading or implementation services to all the stakeholders in the food supply chain. So, what I mean by that is that all the stakeholders of the supply chain we have the farmer goods, we have the processors or manufacturers, we have the importers and the importers and the exporters. These are the main stakeholders for E. Under farmer goods we do training that is basic agricultural training and we run collaboration with a laboratory in the Netherlands where we run research for these farmer goods on their soil, knowing their soil before they start their farming or during the farming time to just check on the nutritional differences between the nutrients in soil and also plants re-diagnoses and a whole lot. That is the minimum residual level. So, we do all these things for them before they think of coming to export or they export themselves and for exporters we do almost the same thing for them, training them and running laboratory analysis for them and any other thing and sometimes we guide doing proper documentation. But for food processors normally it is about continuity layout and configuration that's for start-ups, those that want to start a company, how should the structure even be like. So, you tell us what you want to produce, we check on the research and development and we are able to draw flow for you and how the premise should be like normally it should go through a linear flow. Where you should have your gutters etc. and we are much more related to food safety. Anything that can enhance food safety is what we guide people to do. We also do R&D that is research and development for new products



and development and we do regulatory certification support services so people thinking GSA, EPA, fire service all these regulatory bodies are policed. We try to make producers understand that if they have any challenges with one or two paper works, or one or two training, or one or two renovations they must do either with machines or the facilities fail to get things done right. And we also do asset and basic working practices training, we do ISO and any other international certification that the processor may need. So, this is what happens.

After your call I will be speaking to a guy who wants to start a branch in Brong Ahafo, actually I am not after branches because the consultancy came up during the time I was with the FBA; when I was working for them it's more of like helping out though I didn't want to be an NGO though we have an NGO now too. But it is all about the fact that anybody or any company from anywhere in any of the regions can call on us and then we go there to work for the person or the company. So, we don't need the branch we operate from Accra and we don't even use the office that much because we make it more of the fieldwork than office work. So even if a company needs documentation or wants us to help them with audit we go there and we stay with them wherever they are so if it is maybe we think is going to be a 3 weeks project we stay in that region or we just go to that company we are there with you 24/7 until the project is done so we don't need branches. Because we pick from anywhere across the country and we just pick people to go there and do it. We operate from Accra as our base without any other branches elsewhere, but we operate from anywhere. As I explained to you even as I talk to you now, we are having a project in the Volta which is like the hospitality industry, we are having a project in Accra, and we are having a project in Kumasi and this Brong Ahafo guy. So, it's just like the projects cut across so we don't need any branches elsewhere. We are even having a project in the USA, running now, so it's all about the trend of the flow. We get to understand what the call of the client is and then we draw the flow and then we get it done. We give you the duration that is the workflow with its parameters and everything. Until the client needs us again. Most at times, we don't even go to the place if it is something that can be done by email or phone. We do more of electronic work. Because there have been times that a company has an issue with the machine or let's say they are having more issues then we do video call we do skype, I study what is happening and then give them a recommendation.

We are an independent company. This is a sole proprietorship and the company is a company that started from day one and already had international collaborators and even





local collaborators. But still, we needed to grow gradually so we have our plans as to who and what institutions we want to collaborate with. So as and when we grow, we just input our activities and our resources into our current status and then we upgrade to the next level to be able to collaborate with which institution that is feasible for that moment. Because we don't want institutions to take over and tell us what to do. Because we always look out for partners thus people look out for us then we collaborate or partner with them. I don't want a situation whereby people have to invest and other stuff. As it turns there is no investment and there is no much money because every money goes into much more things. So, for now, I will say we run much more on a project to project basis. So, there are as many projects, as I said, from the beginning, there were a lot of collaborations and projects coming in. So, there are some projects that we even turn down because we realised that it is not in our line of work. So, as I spoke to the guy a few minutes before you we just push it to other institutions that we think they can do it but those that we think we must upgrade ourselves to take it. Because I and my teams always believe in the success of our clients you know. There have been times where, thinking of what I said, don't need more offices. We will need more cars because you call, and we must move you call, and we must move. So, we even have a collaboration with even an Airline, you get it? But it is not a fixed MOU so right now I will say we have about let's say GHS 6-8000 that we use to run minimum activities, you get it? But we are looking at, anytime there is a huge thing which we still have huge activities going on we use it to upgrade ourselves faster to take up another bigger contract. So, taking people for training like international training and other things so they can fit for being the trainers of another big institution.

We do have competitors, but completion is also our stronghold because I train people and I allow them to even compete with me. As I said the call of the company was not to come and make money although it is a consultancy and so a business and so money has to be in it, but the core aim was to solve the problem of companies selling fake products on the market. And companies also filling with us can go through the FDA and still have products on the market so as a food scientist and as somebody who worked at FDA knowing that sometimes you get people or companies coming to start or pick forms to come and register and for the next 5,2,3 years you don't hear from them again and then you walk to town and don't see their products. Are we causing more harm or are we causing good, a lot of good to the public and to the consumer? So that's is why we started, so as I said we could have started as an NGO but when I started a consultancy, I realized the need for the NGO, so I

then came up with the NGO as well. The NGO does a lot even extend to the consumer level by training consumers to know what they have to look out for. But if the consumer looks out for these A, B, C and they are not on the product does it mean that you are also going to kill the market? No. So we as a consultancy also help the producers-the farmers- telling them that is okay no matter how much you have, no matter how your problems are there is always a solution. I even need more competitors on the market because there are thousands and millions of companies hidden in their bedrooms, people pouring alcoholic beverages and adding water in their bedrooms and making another product that somebody is paying so much taxes to run as a company. And they are making fake products like that. And then competing with these people on the market. We need more people in the industry who are true safety consultants to be checking on all these things to supplement the activities of the FDA and other regulatory bodies. So, I am not afraid. I know that there a lot of competitors and most of them I did find. So, I encourage them, some ask questions like next week there is going to be one of the competitors representing a company for FDA audit and I just took them through, and I will take them through again tomorrow morning for what they should expect. I take nothing and that is why it is about passion first before the money. So competition is something I even promote. It is strange but that is it. Our main customers are the farmers, farm produce exporters, pre-packaged processors or manufacturers-that is food manufacturers-and then food exporters and importers. **Customer relationship:** As for relationships we have a good relationship with everybody **Cost & Revenue:** The main ways we get money is when we complete a project for a client. Salaries form the main costs because in our kind of business it's more about having the right staff to do projects. The other costs are petty petty costs here and there and they are nothing significant.

**Key partners:** You asked about the strategic alliance and or that I will say it's XXXX, laboratory we collaborate with to do some of the projects for our clients. I have said a lot about how we operate, and I hope that answers your question. Maybe I can add this, a typical day for is will look like this, we make sale pitch to a customer, if they need our services, we do all the paperwork and then we deliver. Unless it was them who contacted us, then we do basically the same thing only that this time they approached us. Yes, so that is it.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*

d. *How different was your way of doing in the past compared to now?*

e. *Can you explain how things were in the past? Any examples?*

I think I am still operating in the same way because as I said I did it over the years before I started as a company, so I really put in structures before I started. And I still have structures being in place and that I always upgrade. It has always been partners finding me and I also contacting people to partner with them, so I travel as far as going to Canada to find partners or prospective partners. But when I find a partner that does not mean we just start. Sometimes I discuss prospective things we can do and then I come and incubate it and then we go through and we write an MOU checking on everything and then I release it to a team to handle and it has always been like that.

I was with the FDA, but I have been with almost all the regulatory institutions bit by bit some of the attachments, [national] service etc. with a food research institute, Ghana Standard Authority, with FDA, a little bit with Accra Metropolitan Assembly. It's like because of that I still know what every institution as in when it comes to the food industry, I know what the institution needs to know and then I link it up to that.

When I left FDA, a month after I was with XXXX (the company that produces the drink XXX) then I was with XXXX and then I was helping out XXXX through XXXX, XXXX asked me to do that that is koala Bakery, not the supermarket. And then I moved to another company which is the cocoa company-XXXX-and then I moved to another company which was into [cooking] oil, rice, palm etc and a whole lot. And then after that company which was the last one then I started mine. So, after the FDA, there were more practical activities or experience with work service with more of the industry.

So far it has not been like we have had to go and search for contracts which I am working on this year. It has always been like they come to us and then they tell us their problems and then we normally give a day or something and then we get back to you on the flow, on how we will operate with you with details of it including the duration. So, if I am giving you, let's say you are the client and you come to us for maybe for staff training and I tell you it's going to be a month training, but we use first 1 week to do the audit, like do the gap analysis to audit your premises. The second and 3<sup>rd</sup> week will be for the training of your staff and then the last week is for review and auditing exam, I give you all these things and then you can decide to be like okay fine I may even need extra follow up audit so then we discuss that. Or you can go like okay we may not even need the last week because we will be operating, or you may change the date. Ok just to simplify as when the two bodies agree then we talk

about money. That is when we send you a proforma invoice based on the agreed flow of the work based on your work and this varies from project to project and company size. So if I must train 13 people it won't be the same as if must train 500 or 50 people. Because I must train 50 people, for instance, I wouldn't use the same number of days, I would want to do that in groups.

So much hasn't changed. We are kind of the same but with a few changes here and there. Our way of getting clients is the same. The services we provide is the same but has even increased. The processes we use is the same. In fact, not much has changed.

### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a. Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

The only thing that has changed probably has been the staff strength. So, then it could be around 2 out of 5 because only a little aspect of our business has changed. And then also more may be contracts and activities because there has been an increase in the number of contracts we are getting and thus we execute more activities than before. The changes have been more of the staff strength because there have been more contracts. The staff strength has increased because there have been more contracts for sure. It used to be 6 and now it is 15, so that is the only thing that has changed but the trend of work has always been the same as I have pointed out.

So, as I said there have not been many changes at all so this question won't even apply

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

I am hoping that there will be no changes which I am working on that there will be no changes because there is going to be a blow which will go like that forever. As a sole proprietor, you always must grow the business in one line for years before you can probably adjust one or two. So, either than that there is where you begin to float on the surface and then you begin to mess up.so I am trying to grow the business in the same line to gain strength, empower the team members, empower clients and empower the stream of work. What I mean by that is this. If a client has to contact me or the company, they know one email address they don't use mine they have the company email address. Somebody has to go through, and the person will forward it to me. Then a team member will also pick it up from thereafter I have relayed to a team. And when the team pick it up based on the company problems as I said we design the flow we send to you, you agree or disagree, we finalize it and then we talk about the money. And you don't pay until we get things done. Some of the challenges that can come are when companies refuse to pay and that is why I said that that will be a major challenge for both companies. But for us, because it is not about the money it has always been the fact that my team members understand that. Because when a company pays today, they get paid that day or in 3 days' time based on the bank and they know that they have been well-served so people are not really after the money they know that nobody is being cheated because I allow them to process everything. Just that I always endorse. They do most of the work themselves. So, they know how much money we're getting they know that okay we must give this to that, or we must do this, and people don't handle money everything is done technologically.

So what challenges may come in will be in the future when people probably may think that we need to be paid before we do the work and that is what I am working on that in future maybe I can, as we keep growing, I can pay people and then clients pay and then it stays in the company's money. But right now, that is probably finances, but right now as it stands even my partners-those in Netherlands and other places, those in USA-they all understand that clients pay before they get paid. So, when we must run the laboratory analysis in the 3<sup>rd</sup> biggest let's say the second biggest laboratory in the Netherlands. They even understand that they have to take the money annually based on the last but one of the last client that maybe they serviced. So I always want MOUs like that because it is mostly about the interest of the client much more than the money so anybody who wants to partner or anything I want to do I make the people understand that when the people are okay, if I go the extra mile to make an exporter able to export and the exporter gets his money back why wouldn't he pay me?



Why will he lie? But if I try to play the smart way and then the exporter exports and 50% (or worse) of it were rejected. Will the exporter feel okay to pay out his little profit a huge amount for the services you rendered? No! But sometimes we try to even negotiate with even their buyers, their problems and other things and make them feel like we can always help them. You get it? So, in future, that can be a challenge as to people growing, the youth coming through, people who will much be after money more than work. But now, the team that I have and the people that I recruit are much more like people that want the experience, they are happy with the huge money they make as and when; than people that want the money before they go to do the work. Exactly! Because that has been the Ghanaian people or the African problem where people feel like whether I work or not as for the government I will be paid. So that is one aspect of it aside what we do. That was one of the reasons why we brought in the NGO just to change it, what we call the mind liberation, to make people understand that passion comes before money. You get it? When the country has that we will grow because everybody is okay. You'll be happy everybody's pocket will be full. But if you try to dupe people and then people are struggling next time, they also want to dupe you and it continues like that. So yeah, I tell people this even before I recruit them. So those that do not want it I don't even pick them. I might run about 30 interviews and then I end up picking about 4 or 5.

The changes have been on the staff strength and so far, I did it a few months ago when I got back to the country and I am still monitoring it but so far it has been good. An example is a huge contract that, a whole XXXX, is handling with a company. I assigned that same contract that was given to XXXX, that same contract was assigned to us and I have assigned just 12 people to it. That's one team and they've done so well. They've done the first phase of the project. So, I think it is a good thing. So far it has been positive and on a scale of 1-10, I'll give myself 8. It has really helped so on other projects I didn't have to wait on team 1 to finish with this project before so this project has even been signed to be a long-term project.

So, then I don't have to, we don't know as and when. Like I got an email yesterday that they want to talk for the next phase which is on Tuesday. They want to talk about the next phase so imagine if they talk to us on Tuesday and they want us to proceed to phase 2 by Wednesday or Thursday or Friday. I always have a team to pick it up. So, team 1 has been released from any other future contract. So, then another team can pick it up. But gone were the days when they were just fixed. Then is like you burden people and most times because most of them, another part of the company is to empower people right out of school to gain

experience. Because I release most of them to the client when some of them want another job like they want a full-time relaxed office job. Those kinds of people I identify them and tell them, this is what I see in you, and I think you should consider it, and do you like it? And they go like yeah, then I give it to them. So now that we are having this done imagine those, we had 6 people, including myself. Then it's like any other contract will be on hold because don't have the staff to handle them. But now there are a lot of people so am not afraid to add on more contract that's out on the plate

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

I just go ahead with it. Once I identify where the change is needed, I see how best to go about it and execute. For instance, with the staff changes, I have been speaking about once I realized that it was necessary, and we would need that to move forward I carried it out and it has been good.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

Finding the people who are not just in for the money. Having to operate and then wait for the money before we can pay our staff. We keep trying and in interviewing them and finding out about the person you can tell. As for money, I think I mentioned it earlier. I let my team know and carry out some of the tasks like processing the payment and stuffs so when there is no money they know and once the money comes in too, they know. And they know once the money comes in, they will definitely get paid.

5. *When you have made changes to your way of doing business, how did you assess the results?*

We see the effect. For instance, with the staff changes like this, like I said, in the past, we would have had to put contracts on hold. But now that we made that change, we can tell that it is helping



6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

The business atmosphere does play a role, but I think we have our fate in our hands and so if we try hard enough and do our best, we will come out successful. The Ghana business atmosphere has a lot of problems that if you decide to focus on it you wouldn't do anything

7. *What will you say are the external factors outside your business that impacted you the most and why?*

Okay external factors being the fact that sometimes you get clients coming over they get to hear from you a whole lot of things and then they go, and then, sometimes you even give them free manuals to get them prepared before you can even consult for them. And then some will go to competitors, and as I said I don't have any problem with competitors, they will go, and they will give them cheaper prices and give them your manual to these businesses to work for them. But again some of them succeed but majority of them end up not succeeding and then they come back to you but by the time you go there maybe they will be at stage and you probably would have wanted to do a little bit more with them before moving to stage B so that that will have made them qualify for what you will be training them for. But sometimes these people come, they mess up the whole system, so when they come back to you is more or less like a no-go area because now you have to let them do more. So, the external factors only stand for the competitors always looking out for more or less, you know like Africans always say, your downfall. They are like "hey, get that information from them and they will always look at your information, and they know that maybe you are charging 1000 Ghana Cedis (£166 approx.), they will charge 200 Ghana Cedis (£33 approx.) and then they end up ripping the company once. The company now gets stressful and then comes back to you. Now you don't know whether you should still charge the 1000 Ghana Cedis, or you should charge more because you already gave them price quote. But sometimes we get pissed and then we charge the client more. You get it? But then we also look at the strength of the company and you are like am I doing more good to them or am I harming them? So that has been the major challenge and then other challenges will be like lets says sometimes the location of the companies. Now you go there and as I said we are after work and doing it properly, so you want to work on something within few days. And then you get there, and you realize that the workers of the client are far away from the



workplace, they don't come to work on time and then when you need them to go home, rest for a while and come back so that you can finish your project of time, it doesn't happen. And you yourself sometimes access to food, access to things, based on the location of the company is cumbersome so it makes some of some projects quite stressful, you get it?

Because the people sometimes don't feel for you as you feel for them, so they don't even care about bringing you water or bringing you that or that. You get it? Sometimes you are on a farm, far away from everywhere. Our recent project we worked on 3000-acre mango farm and we had to take soil samples across so after designing your plan and everything it was already late. So, we had to stay over, and you realize there is no shelter at the farm. What do you do? At that point probably, all of you cannot stay in the car and I won't even sleep in the car. So, it likes you have to move and sometimes you check on how you have to check on the internet to check on the nearest hotel or whatever because you planned on returning but you got there, and you ended up staying there because you needed to support them. So, these are some of the challenges. The external factors come from the clients, from the availability of amenities, sometimes from research pay and then from competitors. These have been the problems with our external factors, and it will always be the same. Because you know most manufacturing sites, at Tema and those companies that you see, they are few. The ones you see in Accra they are just few of it. But most of these SMEs and most of these farmers you know where the farms are, they are far from everywhere. And as I talk to you XXXX asked for training, but you know what, their HR has a consultancy that offers similar training services. So, they wrote back asking me for details on the service I will provide. But over experience I have learnt that when clients write back to you asking for more information is because they want to compare your services or prices to another consultant and then if you end up giving details about your services they will end up giving that information to another consultant and then ask them to provide services that will be close to or include almost everything you would have done for them. So, with this company when they wrote to me, I told them that look, if you guys are ready to sign a service agreement then I will provide you with the details of my services. So, I told them to get their committee ready and when I come, they can audit me for the services I want to provide and there I can give them any other information that they will need. Then if they are okay then we sign.

Because normally as I said I do my things electronically. So, as I set things, I can give the information to the office they will work on the service agreement, send to me and then we sign. So now XXXX has not gotten back to me. But these are some of the challenges, but it



will always be there. It will always be like that because sometimes you have a production guy who is not at the quality department and thinks that the quality department actually found you so because whoever found you may-you know that kind of corruption where whoever found you may have to be given a tip, whatever whatever-so everybody wants to bring in somebody to train, HR wants to bring in somebody to train, production people want to bring in somebody to do the training. Even with the security, sometimes people come in and give fliers to them and so if the security is able to force the department to go with the business that brought the flier then they will get their cut. So, it's in the industry, it's there. But for me as a business, this below the surface kind of activity is not forcing me to rethink at all. You know sometimes with international exposure and the fact that your instincts are towards quality and the right things you don't care much. I don't care not having any contracts for a year. I will prefer that to having five thousand contracts in a year and messing up. So, if I think whatever amount you are going to give to me I can't make enough on it, or I can't visit places, or I can't send people and make them happy to let them eat enough, let them drink enough, let them be able to work at dawn? Because tonight am keeping two people awake with me and we are all not sleeping, 2 O'clock we are up and working till tomorrow at 4:30. So if I have to put people on the pain like this to work and I can't give them enough incentives? Because if the clients prefer a consultant that will use a year to do a work, a particular work that we can use 6 weeks to do effectively or even a week or two, they should go for that. And even USA I did, when I was in USA they brought me to Ghana they took me to Sierra Leone and projects that people take months to do it in Sierra Leone I took one week, Ghana my own country I used two weeks. Initially, they as Americans they doubted me. But I told them to leave me to have my sleepless nights to get things done. I can decide to use an hour every day to work and I can decide to use the whole 24 hours, that is my strength. That's why I go for people that can share as little stress as me and have the same passion. So then when we get on work, we get things done. I don't like delays because I always want to be free for the next contract. So, if a client wants to go for a company that will take 5 years to do it that is their problem. I will not succumb to such things and charge little and then work with pain. I work with happiness and I don't even charge much but as I said XXXX charge how much money? One million US dollars for a project that I am not even charging up to 10,000 Ghana Cedis (£1,700). And these people what did they say at the begin? We don't have much funding and we think you'll consider us. Then when I was even sending the quotation, I was a little bit afraid and what happened? They said we think we

will go by your offer because we think it is so cheap. So, most of these foreign companies they understand that the services I give are too good for the price. But then some of the locals we know our bargaining system. Even for the little, you have given to them they still want you to bring it to about 50% deduction. That's the challenge.

## **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*

Okay so far it is all about the normal registrar general regulations which every company must follow, but as a consultancy, we know what to do.

As with food and safety-related regulations we are not being regulated you see. We do not conform to the regulation, we don't have to as it doesn't bind us. We rather get trained to deliver the certifications to others or we are being certified to be trainers of those training courses for others if we have to train. You get it? So, we have to train those individuals or companies that have to follow those regulations. So, it doesn't apply to us. As I said this Canadian company which is about talking to us again on Tuesday, they have to follow these rules we are talking about. They are now about registering their company, so registrar general, NBSSI, they have to follow FDA (Food and Drugs Authority), GSA (Ghana Standard Authority), EPA (Environment Protection Agency), fire service, all those things. We have to just be abreast with the activities of these regulators and then empower and then prepare these people and companies for it.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*

- a. *What has it been like in the past compared to now?*
- b. *What has been the major changes?*
- c. *Do you see it changing?*
- d. *How do you get information about the market?*
- e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
- f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

Most of them have been experienced. That is experience working on the ground and the second part is technology. So, I get the contact of the company I call them then I ask for the right department to talk to and ask my questions. Is all about what you know about the industry and what you ask them about it. Because you cannot call them and say “hey, a client wants to do this”, they will say “no that’s ok”. Rather we ask them questions like if one wants to buy a product with these standards how we get it or go about it. Or we ask them, “do you have a standard for a product like this”? you should know your research and have what to ask. It’s all about the technology that’s through phones, emails, and other things and walking to the offices to ask.

3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

We have not been in a situation that we wanted extra capital. I mean there’s been many people that want to invest but I don’t think I will probably need it because like I said when things like that happen you must conform to the advice and instructions of these people and investors.

As I was talking to you a partner in the USA must be on hold for two years but even this year concerning him, I have still written back to cancel the MOU. Because that is not the aim of the company. We are not after the money and making companies pay before we work for them which is a good a thing, they must improve, and they can pay if they have but we are after improving them as companies first. Most of these investors are not just investing or donating their monies, they want to know how they can also make money. Sometimes they don’t come with a straightforward language you as a business person will have to understand.

I am a business girl, so I know. So, at this point, I don't want people to get on my neck and on the objectives of the company and destroy it. We want to grow to a certain level, and I think the way we're growing if we keep up like that, we probably may not need it.

4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

So mostly when I want to employ, I sometimes go to the universities and search for their research thesis presentation, look through and then I pick people based on that. Other times too I post it on LinkedIn, on Facebook, on business Ghana, wherever and when people apply, people recommend and then I get the people. I shortlist. I normally don't shortlist, but I said I look for passion, not experience. So, I call all then I throw to them what the company stands for then naturally I decide the right people. And this is how it has always been done. By post or going to find the student that really have the passion and were not forced to study the programme (at university) or they've grown to love the industry. So, when you pick people like that to help others, they will understand so that is why that was the main thing I spoke about. We go to the schools (that is the universities and the polytechnics) and then we identify the students with passion. So, I normally don't talk to them during the presentation. I get their names then I go to LinkedIn then I do a further search.

One needs to have a degree or an HND minimum to work with us and even sometimes SHS degree. For instance, in some cases, I know a company needs people in their R&D and such people can do it, I get them to stand come for it.

5. *What is the situation like concerning contracts and agreements?*
  - a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*



So, I said it's not a good practice or let me say it's not accepted practice. It is not done. People just say it's not a proper business model. But I see it to be a turnaround for the country and for the world because if you want to help someone be truthful you don't always put in so

much grammar and legal clause before the person can obey to it. It is about trust. You teach them to trust you and you learn to trust them. Here's the thing, the only pressure that will come first of all when you have investors and they want their money back, I don't need that, so I don't get that pressure, one. My partners who render part of the services that is the laboratory, who is the main partner but the other partners do other things, but if I need Cornell university to do training with us, what happen is normally, I know that they will charge us a certain amount and then the client will probably not get that kind of money but it will be a good training for them. So, then I go to the University of Ghana and then we should get around to finding an MOU for that, and then agree with them, discuss with them and then get them to partner with it. And then the University of Ghana finds the funds to back up the clients. So apparently, they pay, or they are paying nothing. So instead of we are finding clients to charge them huge because we feel for them and they are our priority we rather work around things to make a project more or less like being a contract its rather turns to be a project and then it becomes solidified and then we can apply for a grant which is easy through University of Ghana (UG). And there are a lot of grants that though such departments that are there. So, an example is what I gave you like the UG test. Though if you identify four people with the same issue, now you tell these 4 people they should bring other people who probably will have the same issue. So, you still find out this and combine them so that you can improve the same sector. So, if it is the dairy industry now you have 4 people, maybe each of them should pay 200 Cedis (£35 approx.), you have a grant, then you add about 5000 Cedis (£890 approx.) each for them. Now if they bring more people everyone pays like 50 Cedis (£88 approx.), you get it, then we still render the same thing and then get the money paid. On the other hand, as I said with my partners in the Netherlands they know (how we operate) so they take their monies for their services at the end of the year. So, though I tell clients they have to pay 15 days after the services, I still have in mind that we have a lot of months to go. So, there has been a client who has been so good we started with them and then last year it was a difficult time for him and then it took him like 4 months to pay. But this is a huge amount of money and it really helped him. So, when he got paid by his buyers because his buyers understood the certification he was having. Now he came to pay which had taken about 4 months. But then because there was so much pressure on me, and my team also understands it when he paid, they got their money and they even got an incentive for that long period they waited.

I am quite careful in selecting which clients I work with because I don't want to get into deals with to avoid people who are not truthful and will not oblige by agreements. Since I go around and find grants and stuff to reduce the burden on the clients, I try to make sure I select carefully.

Sometimes I even find customers for my clients and help them to secure a supply deal so that once they have that secured my firm can go in and provide for them the necessary training they need. Sometimes even partner with a tv station or other good institutions to see if we can gain funding for our clients and even in some of these tv stations we try to see if they can get clients to run adverts and things like that on their station as some form of funding.

I cannot pay laboratory analysis that will probably cost about 400 or even 3000 Euros for them. But then I can get the buyers for their products or an institution that can lead them to a buyer and then when the buyer comes and is ready to buy from them I'll tell the buyer the client needs A, B, C, D and then have the client agree with the buyer and then the buyer will supplement all these trainings and get what they need from the clients.

I want to select eh ones I think will not break terms and agreements and the thing is if you are a good communicator you will know who to select and how to select them. I also have a model. So, I make it a simple pros and cons and then I ask them, normally they don't know it's an interview as I will be conversing with them. But while I do, I am actually interviewing them to know how they are and how they are likely to behave. So, I ask them for instance in such a discussion how are they doing business-wise and how they think they can pay for our services. And the way they answer will let you know those who can and cannot pay. Sometimes they just tell me who their buyers are, and I know they can't pay because those buyers are not going to pay on time and so they can't pay us. It's all about every day getting to know the people and who the serious buyers are. So sometimes even before a client will come to you you even know the client. Because I walk around. When I was coming to Kumasi from Accra before making the trip to Tamale. I saw this bottled iced-kenkey being sold by a street hawker and I knew that in future the company behind that product will want to go bigger. And for such a company I can tell they have started well, and I wouldn't mind promoting them or pushing I to one or two people. Because identifying serious buyers sometimes help out. So, if you just want to produce as a farmer and take it to Kaneshi market and you want to do maybe some certification, I will ask you what do you need that for? Some people they just want it so that they can also have the dream to be able to export in future.

For such people, I will tell them wait till that future and then have the certification done because most of the certification they also have a deadline. But people don't know, they think that people bought those certifications and then people found them. Yes sometimes it works like that. A buyer will ask you, "do you have this and that certification?" but because people don't know that if you tell the buyer that I don't have one two three certifications, but this is how my operation is and my operation is so much qualified for these certifications which can be done within six weeks. So, if you want to buy from me just invest in me and let's get it done and most buyers that is what they want to hear. Either you have it, or you stand a chance of having it. If you are a client as I said and that you are supplying to maybe Kaneshi market and you want me to run an analysis for you I won't do it. Because you don't need that analysis for that except if you are having an issue supplying, and FDA is their neck. Then I will tell you to redraw and then find the money and then we do it. Because while you are still selling, and we go and run it and it is not good that is when people out of pain and eagerness will keep selling more of the fake products. That is why the FDA normally call for product detention. They will just detain your products and then after everything is ok, they will release it. So, I always tell people don't wait for the regulators to detain your products. Detain it yourself. Then you can do the right thing. But just supplying to Kaneshi, taking yam from Tachiman, the northern region and sending it to Kaneshi you don't need any certification all you need is proper logistics. So, if you want to do certification I won't advise you to do it. Then you probably may think "oh let me go to another consultant and do it". Fine! But if you the dreams of exporting it then I will start working behind the scenes for you and then I will come back to you when time is due or when you get the money then we can do it.

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*

- e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

Okay in the food industry which is more of the food and safety industry it is like very very difficult to have clients comply with the regulations. Why? Regulations let's say probably have a trend of activity. So, the food quality when you check on google, quality in progress or quality itself is very expensive. Because if you want to follow all the regulations then it probably sometimes means that even your workers outfit, that is their coat and everything, change it for them every three months, quarterly. They have to have maybe about three things at the production site, this and that. So that's just provided and every one hour you go and follow up. But sometimes we have like minimum requirements and like the expectations, you get it? So sometimes some of these companies they know they have employed about six thousand people, five thousand people, thousand, two hundred whatever number of people and they know they are paying them, they pay taxes they do this and then you are telling them that before they can qualify for this certification a whole building probably has to be restructured. You know renovated completely in such a way that they have to break part of it and mould it this way. I am an entrepreneur and so sometimes I understand them, their pain. At that point they have probably saved some money, something that can carry them maybe for some years, but this probably may use that little money they saved to build this or do this renovation, or they may even have to go for a loan. And then most of them will keep asking me "what if this thing doesn't benefit me much?" So then sometimes you always need to recommend and also encourage them that okay I am recommending you go for A, and then as you keep getting money you go for B and you do this. You have to be proactive or else they will stop the whole quality thing and still be producing, they don't care anymore because today they need to do this, tomorrow they need to do the gutters, tomorrow they need to build another security post, it's a whole lot for companies and then for farmers. So that is always the challenge. It is not really normal, okay, but normally you get about 80% of the industry going through it

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you?*

The ones I have covered are the ones that come to mind. One thing beyond us that could affect us is the relationship we have with partner laboratories abroad but at the moment our relationship with them is good

2. *the most that have not been discussed and why?*

## **SECTION F-COMMENTS FROM PARTICIPANTS**

1. *Is there any other topic or issue you deem relevant that was left out?*

As you go through the interview what can come to my mind right now is when any industry that you talk to tells you that they need investment to grow or that they need some start-up capital coming their way to be set up for life, my question is what if there is not start-up capital coming their way for life? Are they going to die with the dream? Because I started this just how much? 20 Cedis, and what did I do? I just went to buy a stamp. Then as time went on and I got money I developed a letterhead, invoice, receipt etc. I did the right things bit by bit. I didn't want to start and then they ask me for an invoice, I don't have it. They ask for this, I didn't have it. I went to the revenue authority and discussed with them, they told me what and what I need to know and then I registered a company. Don't just start and register a company because you think you are the only one with the dream. So sometimes I say am not afraid of competition because I want more people to have the dream. So, ask people if their dream is not funded by anyone what will be their next call of action? Are they going to die one day with the dream? Even if they think they don't have the zeal or the strength or they don't have the eagerness to go and figure out how they think they should go about things then how are they going to be able to work and employ other youth? Because I know a lot of people that left with their potential. We have lost so many Kwame Nkrumah's that didn't bring out their potential. You know so this and the fact that there is the view that there are certain things before you start you need to be at certain levels it puts fear in people. And this I say is coming mostly from the pastors. Find a passion, find the need of the people and give it to them. I was a processor I used to produce yoghurt and I was doing it in my apartment. I was rather cooking in my bedroom until I lost my apartment and then I lost my company. That doesn't mean that the yoghurt business was gone, or I lost, or I have lost knowledge about it. So later on, when I didn't have a place, I start moving from churches to churches teaching the youth how to prepare yoghurt and gaining some money. Now because I realised that I could make it a production company I rather made started to teach people

how to make yoghurt. So, they are a lot of ways in presenting your ideas and even bringing your new product out. They don't have to wait for Guinness Ghana to bring out a product and they try and copy. Look at the need around. People are now using cassava to make beer. Just yesterday when I was close to the border of Togo here, I saw a moringa company and me and my people were discussing moringa. So, and I was like what can Kasapreko do from moringa? What can Accra brewery do from moringa? So, if a moringa company is buying moringa from a lot of moringa sellers should everyone just find the same moringa company? No. People should be innovative. So, when you are innovative when people are chasing after one money you go a different way. So, everybody wants USAID, everybody wants this everybody wants that, everybody wants a bank to fund them, everybody is writing a proposal. I don't have such exposure. Sometimes you have to put yourself in a position where companies or investors will rather find you. You should even make the decision event to reject them, so you want your company to be able to survive. I think people are just after money so people should learn to gain money from passion rather than passion from money, it doesn't work.

So, throw questions to them that is not just to get the information, but they can also take back probably something that may affect them and help them. I stand for it that if no investment come through are there not going to be companies and enterprises and consultants and all these kinds of stuff? Are we always going to allow the whites to come in and tell us what to do? My boyfriend is white, but he doesn't tell me what to do with my country. Even in the USA, I tell them, I mean Cornell, what I think is right for Africa. I tell them you are not here with us. So, when I am there, and I want people to come here and do projects for the people I tell them how my people want it, that how my people here want it. So, its high time we stand for how we think things should be done. That's all.

## **INTERVIEW WITH BUSINESS F**

### **SECTION A-The Present way(s) of doing business now.**

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*

c. *What makes your way business unique from that of your competitors?*

It will be easier for me to use the business model canvas to give you a proper understanding of the business. In simple terms, the main value we give our customers is we provide them with high-quality mining chemicals and technical support services (like advising them on mining chemicals to use, doing laboratory tests (mine chemical-related) and providing general advisory services on mining chemicals).

**Products:** We import mining chemicals and sell them to mining companies in Ghana and some others in some West African countries. We import at a cost, pay our importation charges and duties etc. then we add our margin to the total cost and sell it to the mining companies. Once we supply the goods and they receive the waybill with the order number and everything on it then we issue them an invoice. On that invoice, it is stated that they must pay us within 30 days. But is not always the case you know. Some mining companies, the giants, they pay on time. For some others, they can owe you till the point where you almost have to take legal action. Recently, our strategic partner, XXXX almost took one such company to court for overdue debt. So that is how we do business, we import and sell, and they pay us. Then we make a profit. Aside from the mining chemicals, we supply we also provide do maintenance services for them, especially those that we sell the antiscalants to.

**Services:** We supply our customers dozing pumps that I was showing you, for free. And we also do the servicing of these dozing pumps ourselves. And then we provide them with those dozing tanks. So, to be specific it's with the antiscalants that we carry maintenance on their pumps to check leakages and stuff for free. There are at times that we can go for water samples to run tests on them for free. We don't charge them. It's like some sort of analysis. We don't charge them. So sometimes some of the companies can come to us with their own samples for us to run tests on them. Ideally, we should charge them for the tests, but we do it for free. Because at the end of the day they will come back to buy the chemical from us. It is always our hope that if we run the tests for them for free and also recommend chemicals that they will need, they will come back and buy from us.



**Channels:** So normally if clients need an item, they send a mail, asking us, provide availability and price quotes for the product range they are interested in. So, if we have them, then we respond accordingly, if not too we make them know.

So, these price quotations are worked out to include transportation if we have the products the clients want in stock. If we don't have the products, they are asking for in stock then we will have to order from our suppliers, which will come at a different cost because it is not the same as the one in stock.

So, if we are shipping to them too, we have two ways, DDP. With DDP we buy from outside and then pay the duty at the port, clear and either send it straight to the client at their premises or we keep it in our warehouse and deliver later. That's the DDP meaning duties paid and cleared. Or, clear and send it straight to them. That's what we normally prefer. Because if they have space from the port, we send it straight to them. Either DDP or the second one, which we call CFR and that one we will not pay the duty. We will just buy the item from outside and ship them to the port. So, once it gets to the port then the customers will pay their own duties then transport it themselves. So, two things, so after the delivery then we issue them an invoice

So, we have DDP price and CFR price for each item. I have forgotten the full meanings of both. That one you don't pay the duty. You the seller, once you ship the items in and they get to the port, you the seller will not pay for the duty. The client will have to come and pay for the duty and clear the items out of the port. So, your charges to the mine will be like your selling price. How much you bought it at the factory, how it cost to ship and then your profit margin you will add on top.

There are times that if you send the mines quote and you are not lucky, or you send the MSDS (i.e. material safety data sheet) and the suppliers' details are on the document the mines can bypass you and go behind you and buy from the suppliers directly. So normally we hide it. They may decide to buy directly from them, but it happens to be the case that there are some chemicals that they will not risk buying it from any supplier because they cannot authenticate the quality. So, they prefer that mining chemical suppliers sell it to them because they know they have used some of them before. That way they can be assured of reliability and things etc. etc.

And at times they don't have enough space to store it, so they prefer to raise a large order with suppliers. Then when it comes, and it is DDP, where we pay the duty, they may decide, if it is 10 containers of carbon, they will tell us to bring them 2 containers straight from the

port and then we keep the 8 containers. So, they wouldn't have to bother themselves with storage.

So, they will use the 2 containers, then on and off basis, if they happen to run out then they call on us: please deliver us to containers. Then we deliver. That one will also come at a cost. Because we have stored it and also, they will pay for the transport. So that is also a factor why they don't buy straight from the supplier. Unless it is a small quantity that they can take it directly from the port. Aside from that, they will have problems. And storage is also a factor. At least with us when the goods come, we can store them in some containers.

If they order, they don't pay upfront. Our payment is 30 days. 30 days from when our first batch of delivery hit the mine site.

Once it has gone to them. Because each delivery goes with a waybill and each waybill has an order number. So, till there is a waybill to the goods stamped by the mine you cannot invoice because they have not received it. For instance, the 2 out of 10 containers that we are sending to them directly, the transporter that we will use will write a waybill, then we will give that transporter another number to indicate on the waybill to use for the delivery. So, after then delivery, then the transporter will send us a scanned copy of the waybill then we will use that waybill to issue our invoice. So, in that case, we will have two waybills with the same order number and then we issue the invoice and on that, it will be stated clearly that payment terms are 30 days after delivery.

**Strategic Alliances:** it is through XXXX (a strategic partner of F) that F gets to the original Mining chemical manufacturers. These manufacturers have established that relationship with XXXX over the years. So, F is riding on the backs of XXXX.

F and XXXX are not operating as partners with a formal agreement. They are asking for one, but we are reluctant. They want to buy shares in F, but we are reluctant to sell out shares but for academic purposes, we are kind of partners. You can take it as an alliance because F is still an independent company.

They are the ones that have a direct relationship with the mining chemical manufacturers. So, they [XXXX] buy directly from these manufacturers. One of the XXXX guys called XX, stationed in South Africa. He is the one that if we need anything, we let him know and he places the order with the mining chemical manufacturers. Then they buy and give it to us to sell.

**Customers:** Our customers are registered mining companies in Ghana and parts of West Africa. If you are not registered, we don't deal with you. We deal only those firms that are legally registered. If you are not legally registered, we don't deal with you.

So, before we sell to you, you have to provide your environmental protection agency (EPA) permit. No matter the country you are in you have to provide a permit from your government certifying that you are truly registered and that you have the permission to use a particular chemical. It is not everyone that can use for instance can use every sort of chemical.

Especially cyanide, if you don't have the permission to handle cyanide, we will don't sell to you. So, if you are not registered, we cannot sell anything to you

**Customer relationship:** Mike (the internal consultant & strategic alliance from XXXX) and Frank (CEO of F) do most of the travels. So, there are times that they just travel to various mining companies, pay them [customers] visits and speak with them to see how they are performing. So, for example as the two of them came around this week they have travelled to some mines, they have been to Wasa and other places. The two of them have regular rounds they make to various sites whether or not customers have a problem. These site by site visits are also for familiarisations with customers and their peculiar needs. They just travel around. Either here or Burkina or Ivory Coast. They go to these sites for familiarisation and things like that.

**Sources of revenue:** The sources of revenue are the proceeds from the sale of chemicals

**Key resources:** well for that if you look at it you realize we have our own manufacturing plant. None of our competitors has that kind of manufacturing plant. We also have our own water treatment plant. We have a dedicated cyanide warehouse. We also have our own multipurpose warehouse which is a 1000meter square warehouse and also have a 500-meter square warehouse. It is the 500-meter square which is dedicated to the cyanide storage. And the 1000-meter square warehouse is for mixed chemical storage. So, we store stock based on how reactive they are to catch fire. So, we don't store the chemicals together. We store based on how combustible they are. So, we store the combustible ones to the non-combustible ones so those ones that can easily catch fire are separated from those that can easily catch fire. The incinerator, you can add it. It is a key resource. It is indeed a big key resource. In fact, you must add that one because the incinerator is even what is making us get more cyanide business. Because of the fact that after selling cyanide to our clients we are able to take the cyanide waste back and incinerate that waste in an environmentally friendly incinerator. Compared to other competitors we have. Yes. So, to us, is an added advantage.

Our product knowledge and technical expertise and industry experience give us an advantage. I can say with confidence that so far F is the only company in West Africa that manufactures antiscalants. That for sure. They are two types of raw water antiscalants and elution circuit antiscalants. So, these two are even an added advantage, the knowledge to be able to manufacture our own chemical.

And we even have our own generator set, which provides us with a 24-hour electricity supply. There is no day that there will be like we have no power [electricity] and there are also 24-hour security services from G4S. G4S have 5 security guys dedicated to our premises for both day and night which is also an added advantage.

**Key activities:** I think they are the same as what I have mentioned under key resources. Like with the manufacturing it gives us an added edge because it puts us in a position where we can quickly deliver to customers after they place an order because we have some raw materials here and so all we do is mixed it via our manufacturing process and deliver. This saves customers from having to wait for 6 or 8 weeks long for their product if they were being ordered out of the country and thus, they have had to wait.

For F what people know us for is reliability and quality. Our timing is something we don't compromise so if a client needs anything, we deliver ASAP. We don't delay. And this is because we have raw materials available. For instance, we supplied a particular chemical to a mine, they used to use 5 in a week of that chemical and this they procured for another supplier. But with our own that we delivered they used close to a month. So, if that mine should run out today and call us, within the next 48 hours we can put things together and supply them

**Cost:** The main costs of the company are: Electricity, fuel, salaries, water bills, plant maintenance costs (i.e. of the incinerator every quarter)

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

In 2012 we were renting someone else's facility. We didn't have our own warehouse, our own blending [manufacturing] plant, incinerator, etc. we were renting someone else's

warehouse and paying at the end of the month. Then, we had a few customers, but now our customer

base has grown about 50%. We have won over many customers over time. When we rented facilities [warehouse], the owner of the facility was hindering our operations greatly. For instance, when we were renting a warehouse, the warehouse owner refused to let our clients' truck into their warehouse to pick up supplies. We were thus coerced into renting the warehouse owners trucks to supply for us which impeded us a lot because the warehouse owner's trucks were more expensive also. When we refused to rent the warehouse owners trucks, we were forced to bring our stock to the warehouse entrance for our clients. And this process was slow and expensive considering that our products are industrial supplies which are bulky and heavy. Now we have our own premises, whoever buys from us from any part of the world, they are welcomed to send in their own trucks to pick up their order.

Also, that time we couldn't sell cyanide because we didn't have an incinerator [I.e. cyanide waste disposal plant] thus we lost out on that business. Now, we have our own incinerator and can dispose of our own cyanide waste, thus opening up another business for us.

Our own facilities have streamlined our operations and made it better. We were manufacturing antiscalants in the open and operating machines in the open. Now we have a proper space allocated to them with shade and everything provided for our workers.

It was expensive operating that way and it also slowed us down by impeding the business processes, so it was better to make some changes and put up our own structures.

**Source of revenue in the past:** This one has not changed, what has indeed changed is the amount of profit that is made as it has increased a lot now that it was in 2012. I can say our profits have quadrupled.

**What is driving the changes:** The CEO and the strategic partner are always moving all over the mines maintain relationships with customers and soliciting their views. Sometimes the customers bounce ideas off them while they are there to visit which gives that an opportunity to give them counsel based on their extensive industry experience. so changes are on the go. The CEO and strategic alliance who do the visits are close to the ground and thus sensitive to what is happening so when they see a trend that is going to profit the business then they try to implement it and convince the mines to follow suit. Because there are at times that most of the mining companies cannot come up with any new ideas so you the mining chemical supplier have to give them fresh insights by telling them even though we are selling you this chemical we have found a much potent one that we think and be more beneficial to them. So, we just run the tests and present the evidence to them leaving them to decide.

The leadership of the business adjust and respond to the changes they see in the market. We look at what is going on and change but sometimes although nothing may change in the market, they will suggest the change

# **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a.*

*Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5
<p>I will say 7 out of 10 rather but if you want me to choose out of 5 then I'll say maybe 4. Looking at the structures that we have now compared to where we were 5-6 years back, I can say almost everything has changed.</p> <p>The key changes are the same things I have been mentioning. The things I have mentioning. Developing our own facilities and having our own premises rather than renting other people's own, growth in our customers, manufacturing our own chemical, etc. etc. all the many changes I have highlighted.</p> <p>We didn't have our own warehouse, our own blending [manufacturing] plant, incinerator, etc. we were renting someone else's warehouse and paying at the end of the month. Now, for instance, we have our own warehouse on our own premises and even doing some supplies with our own company vehicles. You know, developing our own facilities and having our own premises rather than renting other people's own, growth in our customers, manufacturing our own chemical, etc. etc. all the many changes I have highlighted.</p>					

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

XXXX (i.e. CEO) and XXXX (i.e. internal consultant and strategic partner) when they visit and get new ideas come back and we see how we can change things around. Aside from that we just take things as they come

We the leaders meet and discuss the way forward and then change things. We have to get together and see what the problem is, then find a way. Usually, when we meet each other around, on break or even when we happen to speak over the phone, we chip in some of the challenges that are emerging that need solutions. So, by the time we all meet and sit down to discuss things we are pretty much aware of the issues we are going to address. We just brief each other on matters and then discuss from there. Whoever learns something new and interesting or even problematic, just shares with us. and you know, when things begin not to go well because the issues are piling up then it means it's time to sit and have a serious discussion.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

With us, we don't do any guesswork. We are all scientist, so everything is planned and implemented. We decide what must be done and then we carry it out. Simple as that

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

**Challenges:** At the ports, they made some changes to the mining lists, which is a list of mining chemicals that qualify for tax exemptions, in 2014 thereabout. So, what happens is that chemicals that qualified for tax exemptions no longer qualified for tax exemptions. Why? Because of changes made to the categorization and wording of the mining list. Which we apparently hear it was a mistake by one of the government officials. So just two weeks back it got corrected and so now the port authorities are asking all mining support firms to provide mining lists and names of certain chemicals we deem must qualify for a tax exemption, so they can use it to review and update the current mining list used for calculating duties at the port.

That mistake skyrocketed our duties we were paying. And all this was a mistake in the way the document was reviewed

**Resource constraints:** Well when times got hard our strategic partner helped us out. Sometimes they cleared goods for us which we paid later. They helped us during the periods



we faced resource constraint. They have been helping and assisting where we are resourceconstrained. Gradually as we are finding footing, we are the amount of help we need from them is reducing.

Power outages were also a problem, but it stopped now plus we bought our own generator set.

**Enabling factors:** we had quick returns. Our profit margins increased pretty quickly so we were able to reinvest at a faster rate to support all these changes.

Also, our suppliers who are our strategic partners stopped pressuring us to pay our debts the moment they saw all the developments and changes we were implementing, this helped enormously as it freed up resources for us to support the changes that were being made. So, in a way you can say they gave us an indirect loan. They helped us as a financier in doing so. They play quite a huge role because their actions helped us very much.

Also, the experience of the CEO and the strategic partner with their industry connections helped tremendously. Because they visit most customers on their site it is like they are constantly marketing which helped a lot because we always knew what customers wanted and what to do to take advantage of it.

Also, our own metallurgy laboratory helped because it helps us to conduct chemical tests to support our presentations to the customers on the potency of our products.

5. *When you have made changes to your way of doing business, how did you assess the results?*

If things are going well, we know if things are not to it is easy to tell. Every businessman knows when business is doing well and when it is not. When we do something, and the money is coming in then it is sure that what we are doing is right. If we make changes and all of a sudden, we start making losses then I guess no one will have to come and tell us what we did was wrong.

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

Well, we have to take into consideration or customers, the laws and regulations and our creditors into consideration. The laws have changed at the port as the new government came in for example and we had to tweak things around to be operating on the right side. For our

customers, they don't pay when they say they will and so you always have to chase them for the money and that means we have to negotiate with our creditors (mainly the suppliers) so we can prolong paying them. All this means we have to be swift and tactical in the way we do things to remain on top

7. *What will you say are the external factors outside your business that impacted you the most and why?*

I'd say the informal norms and the corrupt acts of these procurement guys mainly. The rest we can pretty much deal with. What is beyond our control but we cannot alleviate and so it really influences our way of operating is that. The laws we know they will change and depending on the government in power it may or may not be good, but we can pretty much get along. This incumbent government has promised much so we hope the regulations we adhere to will be favourable going forward.

The other issues I don't think they impact us so much in a way that we cannot handle.

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
- Has it always been like this?*
  - How was it like in the past compared to now?*
  - What have been the changes?*
  - Do you see this changing in the future?*

Duties have payable at the ports have changed. We used to pay full duties on some chemicals but this time around we no longer do so. The incumbent government reversed the changes the former government made and that is what has brought about this change. Now they go by what was here before. Those times, there were items like the raw materials that we use for antiscalants. They have now itemized it with the customs in what they call the mining list. So, if you bring the item and the check and it falls within the mining list, it attracts a

certain amount of duties which is subsidized because such chemicals are in to be used for mining purposes. You won't be selling it outside. But it got to a time where the former government scrapped of all these. So, when your imports came in you had to pay full duties on them whether it's being used in the mining industry or not, like there was no such thing as a mining list. If there was then it was not serving any purpose and flocculants. But they have reverted to the original one which involves the mining list and all the exemptions and subsidies that accompany it.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We get information from the market through Mike (internal consultant) and Frank (CEO/owner-manager) when they visit the mines on their premises. But because we want to improve and provide better after-sales services, we have employed a metallurgist who will go around and offer after-sales services to the mines (attend to the customer needs etc.) we sell to and also look for more market. Every week we have to go to not less than three mines to find out that everything is ok and also seek an opportunity for upselling. First is to go and see if everything is ok if the chemical is working well for them, are there any problems we can assist with. If all is well then, he sees if there is an opportunity to upsell if not then he moves to a different mine. So, this is how we primarily gain information from the market. Through the staff that go to the mines to sell and attend to their needs. It has always been like this. It used to be Frank and Mike at the start and now we have one more staff added. Maybe if things go on well and the new staff is able to justify his inclusion and there is potential to even win more market then why not, we may add more hands.

3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

We have not sort extra capital outside, so I don't know how to answer this. Like you know, all the extra capital we get is from our strategic alliance who sell to us on credit and we have to pay after-sales. So, the strategic alliance we have, first they place the order from the factories at a certain price unknown to us. The strategic alliance won't tell us how much they are buying from the source, but they will tell us how much they are selling to us. So, they buy from the factory then ship to the port on CFR basis (i.e. selling goods to someone where you the seller won't have to clear from the port or bear any credit charges). So, we clear from the port, pay for all the clearing charges involved and sell the materials. After that then we have to pay the strategic alliance firm and then what is left then becomes our profit

This is how the company was started and it has been the same since. We have not sort outside capital. Although banks come to us and try to persuade us to take loans, we don't pay any attention to them. We are okay with how we are operating. I don't think this will change really. Our goal is to keep things this way until we are able to pay back our credit given us by our strategic alliance in the form of stock. Using external credit like banks etc. I don't see that happening.

4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

We don't have employment problems because normally we employ from those who are already on the job, it's not like fresh out of school individuals and green who don't really know much and when they come you don't get any better input from them. We employ individuals on the job who are working elsewhere in other companies. The new staff we have

for instance, after looking at his CV we had worked for several firms, although as a national service personnel, as a metallurgist so he is not so green. With the small touch, he will improve. So, for us the only advantage maybe is we pick from the field, so we don't have to extensively train the one we are employing. They will know their stuff already or at least with the small touch they will be good to go.

5. *What is the situation like concerning contracts and agreements?*
  - a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

With this like I spoke to you on this earlier, you sell to the mines and they tell you they will pay you back in 30 days, but it can take as long as 120 days for them to pay you and even with that you will have to chase them up to be paid. That's the only problem you see, they don't pay on time. And as too that changing in the future? I don't think so. Because not much can be done. Maybe if the gold prices get any better. For instances maybe, you can blame they're not paying on time on the gold prices which fell 4 years ago so even with the mines it's made them cash strapped and they are even laying people off and tuff. For instance, Tarkwa Mines is saying they are now going on to contract mining. They are laying off about 2000 people and after that they will go in for a contractor. So, for a contractor, once you come in you will do all the mining. You will have to employ your own staff to do everything and then Tarkwa mines will pay you for everything. So Tarkwa mines will outsource everything and then pay off the contractors now so releasing all their headaches unto the contractors. This, for instance, will now mean for companies like Tarkwa mines we can't supply to them directly. We will have to, if we want, go through the contractors who may have their own preferred suppliers, you never know.

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*

- c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
- d. *Is this how things have always been in the past?*
- e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

For the informal norms, it can't be changed. These procurement guys in the mining industries will accept bribes and continue to accept it forever. It can't be changed. When we have to tender, some suppliers will forever try to manoeuvre and bribe the procurement guys (i.e. procurement managers, officers etc.) and promise them a "cut" should they win the contract. This is how the industry has been and I don't think that will change. I don't believe it will. Some for the mines are not like that but you can never testify on anyone's behalf because they are all fair and just until you catch or expose their procurement guys. I know XXXX were clean although we had some suspects in there. For XXXX they don't do that. They have only white men in certain decision-making positions and their procurement operations are centralized, so the procurement guys are powerless. In such a case, you can trust that when you bid for a supply contract you are likely to win based on merits and that if your value proposition. Everything of theirs is strict strict strict.

It is a very dirty arena with corruption going on behind the scenes by these procurement guys and the plant managers/workers on plants who can take money and pass behind to recommend certain products all because they have taken money from certain suppliers. Some procurement managers and plant managers have been given price targets and so whatever they will have to do to get these targets they will do. For instance, there was one time we did a test on certain mines plant and realize that we could reduce their current consumption of chemicals. But the procurement guys and plan guys wouldn't switch to our products. So, you as yourself why? Here you are being presented with a product that is not so much expensive than what you are using currently but the savings it will present your business is higher, yet you refuse to switch. If it's not the case that these guys have taken bribes from the supplier of the current product they use and thus must continue to use that supplier's product to as a result what will then be stopping them from changing. So that's the kind of situation we find ourselves in.

But for us, we don't do any such things. We don't engage in paying bribes to any procurement guys whatsoever. In times where there have been tests on suppliers' products by anonymous

laboratory workers, our products tend to come on top. That's how good we know our materials are and so we don't waste our time going around paying bribes.

## SECTION E-INFLUENCE OF EXTERNAL FACTORS

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

The same as what I said in the previous question

## SECTION F-COMMENTS FROM PARTICIPANTS

1. *Is there any other topic or issue you deem relevant that was left out?*

Nothing I can think of.

## INTERVIEW WITH BUSINESS G

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

Our business model is a straight forward one. We simply produce charcoal. So, we accumulate charcoal waste from coconut vendors by the roadside. Other times we just go straight to the refuse dumping sites as there is an abundance of coconut waste there. Basically, we gather coconut waste and accumulate it. Then through a special manufacturing process, we convert the coconut waste into smokeless charcoal. That is all we do.

**Customer segment:** Our customers span from individual households to individuals (e.g. kebab sellers), hotels, restaurants, shisha sellers etc. we sell to everybody that needs and wants to buy charcoal.

**Channel:** At the moment we sell online on our website, we do deliveries, and we have individual vendors whom we supply to for them to sell.

**Customer relationship:** We maintain a relationship with all our clients. Most of the people we know them, so we are on good terms with them.

**Value proposition:** We sell charcoal which is made out of coconut waste. We do is to collect organic waste in the city and convert them into smokeless, high energy and longburning charcoal. XXXX is long-lasting, higher energy charcoal from renewable sources. **Key resources:** Our production site, production knowledge, and I will even say our product because what we are selling, no one else out there in the country is selling the same.

**Key activities:** Our key activities are producing charcoal from the coconut waste that we gather. We have arrangements with coconut vendors to accumulate their coconut waste and leave it for us to we pick it up. Some also bring it to our site. So, gathering the coconut and accumulating it is even part of our key activities because it is our raw material. Although because it is waste, we are not buying them, we incur some costs in accumulating them.

**Key partners:** We don't have any partners at the moment. We are in talks with several vendors to form some manufacturer-retailer relationship with them, but nothing has been concluded yet.

**Cost:** Salaries, transportation costs, machine costs, electricity, and miscellaneous expenditure that cannot be put in one category, but we incur them.

**Revenue:** Proceeds from selling our charcoal

As for what makes us different from competitors it is the product we sell. Nowhere in Ghana will you find our products. The traditional thing is to see wood charcoal. When you go around everywhere, they sell charcoal what you will see is the wood charcoal. That is the charcoal made from the trees that have been cut down. Now, this is not good for the environment. When you go to the areas where they cut down many of the trees used for wood charcoal you will see what I'm talking about. Worse of all is that the wood charcoal produces smoke as well which could be bad for the health of those who use it. Our product is what makes us unique from the competition. We sell smokeless charcoal made from waste. We save the environment by not cutting down trees, and we rid the environment off waste as well as we use it for our production. We are environmentally friendly, and we offer a product that is unique and more beneficial to the customers as compared to the alternative.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*



- d. *How different was your way of doing in the past compared to now?*
- e. *Can you explain how things were in the past? Any examples?*

In the past like I told you it was all me and the guy who is now the supervisor of all operations. When I graduated and couldn't find any job, I actually was reluctant to work for anyone, I wanted to start something. I'm a very curious guy and so I want to know how everything works. So, when I learnt that charcoal can be created from coconut husk, I experimented with it a lot. I experimented on a small scale and until it came outright. So, at the start, I did everything in my own house. I would get the coconut vendors to dump their waste at my house then I would produce it into charcoal through the carbonisation process I learn and finetuned by trial and error. And that was how everything started. I spoke to my friend who lived in my area who was also enthusiastic and willing to join hands and partner with me. So, we manufactured the charcoal and then went around to the local chop bars and households that relied extensively on charcoal and firewood for cooking. So, we tried to convince these people by demonstrating to them how our product worked and how it didn't produce any smoke etc. Little by little, we continued until we gained some traction. It has not been easy along way trust me. but we still keep moving. We basically gathered the waste, produced the charcoal and tried to convince people to buy it. We tried to be as visible as possible and sold on Facebook and put our contact out there on every platform available. We also left our number out there for people who wanted our products then we will deliver and take our money. So that was mainly how we went about things in the past

#### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a. Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

You can say we have grown in size and we have mechanized several aspects of our operations and so maybe 4. When we started, we would do everything manually. But now that is not the case, we have some machines to help with how we manufacture the charcoal. Also, at the start, I would manufacture the charcoal at home in my neighbourhood where I lived but now that is not the case. We have our premise on the outer parts of town where we do everything.

Like I was saying we have mechanized some aspects of the production process and also, we have our own premise where we manufacture our products. Another thing is that when we started it was only two of us but now there are others who have come to join and so the staff size has gone up. So now I have to deal with things like salary where I would not have done so in the past.

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

We are basically aware of the market and so we try to adapt to what the people want. What we are trying to do is something new and so it won't be easy, we know. The charcoal that people are used to is the one we think is dangerous and so as we try to sell and break into the market and grow and get people to accept us, we keep learning of ways we can strategize and get people to accept us.

Whenever it is necessary we change. That's it, whenever it is necessary

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*
  - a. *How do you go about making changes?*

When we decide anything or anyone comes up with an idea we discuss amongst ourselves and see whether it will work or not. If it will work, we go on and do it if it won't then we don't bother

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

This one wasn't easy. Because when you are coming up it is very hard. But it was my family. They supported me. at the start, they wouldn't give in to my idea. They were like, "you have completed university and you want to come and sell charcoal? How?". But as I persisted, and they saw things were picking up they helped me and support me raised some capital to even start things. Also, I went to a lot of training and workshops and incubators by various NGO's and stuff who were very supportive in the early stages. You got training and expert advice to develop your business further. There were even situations where you even had the opportunity to pitch your business idea to investors.

5. *When you have made changes to your way of doing business, how did you assess the results?*

For us it was profit. As a business that is what we need to grow and survive isn't it. So, when we are making profit then we know all is well. Also, when more and more people are placing orders then we know our message is spreading and people are hearing of us, which is good because that assures us of future profitability

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

Is the people's mindset. You see in Ghana people are so used to the old ways that they don't want to change to something new. They won't even consider it or evaluate it to see if the new thing is way better. So, the people's mindset and mentality were a problem and it still is to be honest because we are always having to convince people about our product as if ours is the bad one and the old charcoal and firewood alternatives are the good ones, but we all know that is not the case.

Another thing is that there is no support from regulators or the lawmakers. All the people in power, they know, they know that the firewood and wood-based charcoal aren't doing us any good and it is destroying our environment. But they are not going after it. The same thing that was done in the olden days is what is being done now. Ghanaians have been using firewood and wood-based charcoal for ages and it is still being used today and these

regulators are not outlawing. Now because of that people still use the bad alternative and that made it more difficult for us to make a strong case. You see if you are making changes to your own business is one thing. But if the problem is the people's minds then how can you make these changes. You have to educate them or get them to stop using some products through regulations, and this was missing.

7. *What will you say are the external factors outside your business that impacted you the most and why?*

I would say it's the peoples' mindset and the lack of rules to outlaw the old ways and environmentally denigrating ways of making charcoal.

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
- Has it always been like this?*
  - How was it like in the past compared to now?*
  - What have been the changes?*
  - Do you see this changing in the future?*

Nothing. No laws. If there were laws all those people who are destroying our forests to make firewood and wood-based charcoal would have been stopped a long time ago. We are just going on with business. I don't know if there are going to be laws coming up or something is going to be changed but at present, I don't know any. Aside registering my company with the registrar of companies I don't know anything else. Even with that, I am considering changing my company back into a sole proprietor because being a limited liability comes with all sorts of documentation and things that I have to do and adhere to and in fact, I am not ready for all that.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
- a. What has it been like in the past compared to now?*
  - b. What has been the major changes?*
  - c. Do you see it changing?*
  - d. How do you get information about the market?*
  - e. How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We just go out there and talk to them. Our vendors and the people we want to sell to. That's all. There is no other way to get information aside from that.

3. *What is the situation like on getting extra capital?*
- a. Has it always been like this? How was it like back then?*
  - b. What have the major changes been?*
  - c. Do you see things changing?*

That is hard. Aside from my own family nobody has given me a penny to do my business. you go out to the banks and all the financial institutions and their needs are unmeetable. You pitch your business to investors, and they want a bigger share in your business more than you are able to give them. How can I have my business and you will want to own more of it than me the owner? So extra capital has been hard to come by. At the moment we are even looking for people to invest in us. So, if you can assist as reach out to potential investors that will be great.

4. *How is it like getting people to employ?*
- a. What kind of people do you employ?*
  - b. Are they trained and educated? What educational level?*
  - c. Is this how staff employment has always been?*
  - d. Where has staff employment changed and why? How was it like in the past?*
  - e. Do you see this changing for your business?*

As for our line of work we can find people. The job is at the stage where we don't need graduates and all these highly educated guys, so we are okay in finding people. Maybe when we grow, and we are nationwide, and our brand has been well developed then we will consider such people

5. *What is the situation like concerning contracts and agreements?*
- a. Do you face any challenges in getting them adhered to by yourself or others?*
  - b. Is this how things have always been? How was it in the past?*
  - c. Do you see this changing in the future?*

That is hard. It's a just in the nature of Ghanaians. Even with the big hotels and the restaurants. They say buy stuff and they always delay in paying. We only supply vendors and expect them to pay us, but their payments are never prompt. With the hotels is a bit better but they are all the same, to be honest

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
- a. Which ones will no one communicate to you, but you will be expected to know?*
  - b. What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. Is this how things have always been in the past?*
  - e. Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

Making charcoal from wood. That is the main thing. People whose business is based on going around cutting down trees to make firewood or wood-based charcoal and sell. Those are the ones I can't think of that I find problematic.

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

I would say it's the peoples' mindset and the lack of rules to outlaw the old ways and environmentally denigrating ways of making charcoal.

## SECTION F-COMMENTS FROM PARTICIPANTS

1. *Is there any other topic or issue you deem relevant that was left out?*

No further comments.

## INTERVIEW WITH BUSINESS H

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

**Value proposition & Key resources:** How I operate today has not changed much from the past. What has indeed changed is the capacity with which I operate and the overall capital in the business has increased. I buy second-hand car parts in bulk and retail it. I do buy from importers but now that my capacity has increased sometimes, I buy some, not in very large quantities though, from abroad and ship it to Ghana to sell.

This is a business that if you don't know the inside and outs well you will venture in and lose money. What helped is because I started small and grew into it and that has helped me know some of the tricks of the trade. Because we deal in second-hand car parts sometimes people can take parts of spoilt cars and sell it to us as second-hand parts. But it is only afterwards after you have already paid for it and everything, that you will find that it is not working. So, you need vigilance and people you can trust, especially the importers or wholesales.

So, we buy the spare parts, keep it in our storeroom then retail it in bits to people. That's all that our business is about.

What makes my business unique is the capacity I'm able to sell in and the fact that I have my own room to keep stock. So that helps me to keep more and sell more and slow because I buy in bulk, I get some of the things cheaper than others.

**Key activities:** Buying the spare parts in bulk; importing the goods; and knowing and having a working knowledge about car parts, how they work and fitting cars. These I can say are the main ones.

**Customer segment:** I sell mainly to the local mechanics and fitters

**Customer relationship & Channel:** I sell in my own stores and as for relationships we try to be nice to everybody we sell to. Also, I know most of the people we deal with so if my boys are not nice to them, they will phone me and inform me where they were dissatisfied.

**Key partners:** I don't have any partners, I own all of the business myself. All those I buy from or do close deals with none of them is a partner.

**Cost & Revenue:** We make money from the things we sell. Our main costs are salaries, transportation costs (for us it is fuel, maintenance and hiring cost), spoilage cost (i.e. car parts that don't work) and electricity but it is not so much.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

I started as a welder, did it for a while and then realized that I wouldn't be able to do it and get to where I wanted to in life. So, what I started doing was then whenever I got some small money, I would travel to Aboso Okai in Accra, or Kumasi, where they wholesale car spare parts to buy care spare parts then come and sell in Cape Coast. I did this for a long time till it got to a point where I decided to see some of the importers of these car spare parts and then arranged with the person that upon importation, we will buy the portion of his imported goods that we need. Because all importers of car parts import a wide variety of car parts with no specific brands in mind. So once the goods are in the country then they sell based on what brand of car parts one is after. For example, if you want and engine for a Toyota Camry then you buy, if you need a gearbox for a Mercedes Benz then you buy. So, I got into such an arrangement with importers and so whenever they imported, I will buy from them directly what I needed. The good part was getting importers who would take part deposits and permit us to pay later. We bought from an importer based on what we need but we also got into identifying products we reckoned will move fast on the market then importing it to sell. I had some friends abroad, so I would arrange with them to buy and ship to me then I will clear



and sell. At this point, I had people working for me as the workload had increased beyond the capacity of an individual. It then got to a time we realised we cannot proceed with our current way of operations and therefore there was the need for some changes. We needed money for our stock which is car parts, and they are heavily capital intensive, and there was none readily available, so I saved and bought our cars in small quantities from the city. However, we realised it was expensive buying directly from the market, so we decided to look for the importers to buy from them directly. So, we made an arrangement with importers and paid a deposit and later paid the full amount. So, what we did was to meet importer right at the harbour and buy it from them before it gets into the market to attract the market price. Sometimes we look for certain cars which have high street market value in the local market, which is because of its demand, so we can adjust the price upwards. Previously, people who wanted to sell their cars or car parts will come to us and we sell and take our cut. However, because of the growing awareness and usage of technology, especially the various social media platforms such as Facebook and WhatsApp, importers can easily take pictures of their cars and put them on social media and reach so many buyers at go, so they do not seem to know the need for our operations as middlemen between them and even some customers. Again, buyers at the same time monitor and research about cars they are interested in buy abroad simply by a click away or a swipe on their phones. So, customers check prices and cost of importation and duty cost at the harbour and if it's a good deal, they buy it directly from abroad.

Currently, what we also do is bid for cars online, buy them and get them sent to us. So, we are constantly monitoring the bidding process, so any time there is a good offer which suits the local market and we can generate profit from it, we bid for it. We have people who constantly update us with online biddings. So, for instance, this (\*shows his screen) that is an ongoing bidding process that we are keeping track of and monitoring to compare with the local prices, so we know what to pay for it. So that is how things are now. But this isn't how we started, it something different from what it is now.

### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a. Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5
<p>I will say 2 maybe because not a lot has changed. It is more about the capital within the business and the number of people and maybe the kinds of spare parts that we sell.</p> <p>Everything else is pretty much the same.</p>					

At a time, I had a lot of people working for me but then I had to reduce the number because there was too much pressure involved. So, I decided to reduce the number. The thing is when we grew in number there were so many things to deal with at the same time. Each additional employee comes with additional problems to deal with. The more people you have the more theft cases you in your business, the more complains, the more people—your own employees try to cheat you—so I just gave up trying to take on more people and just reduced the number to a number where I could manage with no stress or unnecessary pressure and headache. For example, some of the drivers we had if you send them to go and deliver stock or pick up stock they can stop by and spend time with their girlfriends and come and give you stories or they will give the car to a friend of theirs to go and do the job while they go about doing something in their own interest. I used to use one driver, in a day he could go make two trips to Accra, but he will only give me the sales equivalent of one trip. You see? So, in the end, I was losing. Others too will steal some of the stock and sell and keep the money in their pockets.

So, in the end, I ended up reducing the number of staffs to what we are now.

Whenever you attempt to expand your business people you employ tend to think you are wealthy and thus all the stock is your so if they steal only one item and sell it won't impact you in any way. But sometimes the money we use for business is not even ours but bank loans, so such actions are really damaging to you the business owner. So, these are some of the main challenges.

My brother also told me some time back that I should have all my stock on a laptop and record all sales, so I can keep track of things. That way all minor thefts and mishaps by the staff can be remedied. But this is difficult because we deal in second-hand car parts sometimes some of the stock we buy end up being scrap or not working and so keeping stock is hard. Because some of your own staff can base on that and steal the good parts of your stock and replace it with scrap material, they find elsewhere without you even knowing.

Another thing also is when you make sales, the boys you employ think all the money you are getting from a sale is all profit. They don't realise that part of it is your cost and that only a small fraction of it will be your profit. They ignorantly think all the money from your sales is your profit and thus stealing little amounts from you won't have any serious consequences on you. Also, some will not steal from you, but they will get jealous that their salary compared to the money you the business owner is making is little and thus they will not work

hard for you to make all the money. So, they end up behaving badly and intentionally take sick days out of jealousy.

So, it is the behaviour of the boys that made me change things. It is bad, it really bad. The behaviour of the boys concerning their honesty in particular because they are killing us with corruption and dishonesty.

2. *What caused these changes and how do you know these are the causes.*

a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

I was getting too tired, to be honest. The workload was unbearable. See, years ago there about, about years straight I never set foot in a church. I will come and work and get so tired that I will need my Sundays to rest since I literally worked on all the other days and thus got too tired to attend. When I managed to attend, the moment I sat in church I start dozing off, so I stopped attending. So, the tiredness forced me to change. That was the main thing.

Because even though I had boys to assist them, you couldn't really leave them and trust them with the business, so you still had to be involved in everything that went on and that tiring. So, I had to make changes.

Also, the lack of extra space made us change. There were other things I wanted to introduce into the business but the location we are based on is so demarcated and managed by the local authority that it is hard to get extra space. The politics and power play around it are too much it is not worth it. So not getting space also made us change in a certain way.

Also, I look around and I speak to those that have been doing this same business for a long time then I learn from them.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

Things don't change much or let me say haven't changed much you know. But when there have been changes, I see where the problem is then I correct it.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

Things don't change much or let me say haven't changed much you know. But when there have been changes, I see where the problem is then I correct it.

5. *When you have made changes to your way of doing business, how did you assess the results?*

The sales we make helps us to know. If things are going well, we see the sales being high, if not then they are low.

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

None I can think of. I think the problems were more with how we wanted to do things rather than outside

7. *What will you say are the external factors outside your business that impacted you the most and why?*

None comes to mind

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

2. *What are the regulations your business is expected to follow? Tell me about them*

a. *Has it always been like this?*

b. *How was it like in the past compared to now?*

c. *What have been the changes?*

d. *Do you see this changing in the future?*

No regulations whatsoever.

3. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We are in the market, so we are embedded in the information. If I need information I speak to my regular customers, that is if the information I need is on the customer side. If it's with the people, we wholesale from then I simply call them and speak to them.

4. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

It's hard with the banks but if you bank with them for long and they see your accounts are good then they will give you. I have had a few times when they themselves have chased me to come for loans you know. The interest rate is high, I admit it, but I am sure if you are prudent and vigilant with the money you can at least make something on top and pay the bank back their money.

5. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

It is easy. I am even refusing to employ people that have come to me. like I was telling you, I intentionally reduced the number of staffs I have just because of the headaches it presented

and the fact that the boys are not honest and are always trying to outsmart you. But getting people is not hard for my business.

6. *What is the situation like concerning contracts and agreements?*
- a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

We only face this problem when we sell to people on credit. Even that it is not like we put pen to paper and sign written contracts. It's always by word of mouth and people abide by them and because that is how we do things. But the problem is sometimes you sell to someone on credit and you hope they will pay at the time they have promised but no, they won't. They delay and delay until you chase them for so long. And sometimes by the time they bring the money, it will have lost its value, or its purchasing power may have reduced on the market

7. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
- a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

As for this, it is the same corruption, dishonesty and theft that plagues our business. the boys you employ always just find a way to something bad, you can even understand why. You take on someone as an employee and then they are all good and respectful at the start, right? Then after a few years, they too start to either steal or act in dishonest ways in the business or they try to outsmart you. It is problematic, it really is. But that is what we find ourselves in, so we try to cope with it

## SECTION E-INFLUENCE OF EXTERNAL FACTORS

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

With this job of us, the main problem is the workers, and with this, I am sure it's not only peculiar to me and my business. Because I had an appointment with someone who was telling me of an incident that happened there. So, this person owns a hotel and he was telling me that one of his own workers planned with outsiders to steal 7 flat-screen TVs from the rooms. As I speak to you the person is in the police station now making a case. So, that is the main problem we face. The workers are the ones that make it hard for us. whoever you employ comes in to steal your money, you can't even understand why. I have another friend in Kumasi, his own workers stole from his shop so many times that he has had to fix CCTV camera's in all shop. And since he did that theft has gone down. So, I am even considering that.

You see because eventually with my business I have to always leave to be elsewhere. Even if I can be everywhere at once I can't drive with all the drivers everywhere, they go so the drivers still can find a way to steal from you.

You know in our line of work we don't pay social security. So now they have introduced something where we have to. So, there are people going around to take that money. It's like a scheme where you register your workers and pay every day for them so by the time, they are leaving work they will have some sort of security like a pensions scheme for them.

## SECTION F-COMMENTS FROM PARTICIPANTS

1. *Is there any other topic or issue you deem relevant that was left out?*

No comments

## INTERVIEW WITH BUSINESS I

### SECTION A-The Present way(s) of doing business now.



1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

**Value proposition:** XXXX provides insights and assistance for people to access the capital market. So, we are a business facilitation firm. We assist businesses, we assist governments to find the right partners across Africa. So, basically what we do is that if you need certain assistance or if you need certain insights, we are there to assist. So, if you are an investor and we want to find out which sector is doing well that you can invest in we can assist you with insights. If you are an investor and you are looking for investment opportunities in Africa, we can assist you to find the viable investment project according to your business mandate. If say you are a manufacturer outside of Africa and you are looking to bring your products into any African country of your choice, we can assist you to find the right buyers in those markets where you can enter. So, we provide business market assistance as services. We also provide event services and our events are deal flow platforms, so we bring buyers to meet sellers at our summit. So is a way of providing facilitation services. So, we XXXX is a business facilitation firm focusing on over 15 industries and we provide services across multiple countries as long as you can tell us which country you are looking for, we will work to find you, partners, where you can enter those markets. That is what we do so I consider XXXX to be a brokerage firm.

**Key partners:** At the moment we don't have any branches but what we do have are partner offices. So, we work with a firm based in Nairobi, Kenya as a partner and another based in Johannesburg, South Africa. The South African one is a private equity firm, the Kenyan one is a management consultancy firm and so we work with these guys across projects. So, you can find our services there in Kenya and South Africa. We work on multiple projects together with these guys, but we don't own them or have our own offices in those countries through our partner offices. And these relationships don't change anything. We are still an independent company, we are independent. We only have an agreement with these partners so in case there is a project that requires any third party then we will work with them on it. We only have an agreement that we will be working on projects that we want to involve them. It's the same way if say they want to run a project in West Africa, and they want us to assist them or come on board then we do so. That is it with our partners. So, we are an independent company, a limited liability company but we do have partners.

**Market Segment, Channels, Customer Relationships, Key Resources, Key Activities,**

**Revenue:** So, the next thing was we moved to the events management phase of our operations. And this is what we started latter part of 2017 around November. So, we started looking at our event side and that is what we've put together the XXXX Summit that we are hosting this year in Accra. At had wanted to do it on our own at first but then we realized that we needed industry players us partners to host such a summit, so we then partnered with the Nigeria fintech association which is the council or body that oversees the entire Nigerian fintech industry. So, they are our partners, and like co-host to that event.

We also started a market aspect of our operations. This we also started towards the later part of 2017. We have one project that is going on where we are working with a company based in Tunisia to bring cosmetics to the Ghana market. So, they are looking for partners who can buy and distribute on a very large scale in Ghana for them. So, we are helping them with the market access workshop. So, we have started the research to identify potential buyers and we have identified the big buyers so what we do is to cut down sales calls they will have to make and the time and energy they will have to expend to find out what we are finding for them. They want to come into Ghana and thus we don't want to reduce their sales costs they will have to put in to build billboards, find warehouses in strategic locations, market, etc to be able to successfully penetrate the Ghanaian market. What we have done as I said is to find top quality buyers and if even 20 of these buyers should buy and supply the cosmetic products of this Tunisian company, they will be able to access or get 20%-30% of the market share.

So, we identified these people. We sent them over to them in Tunisia. So, they are going through the list, so they will shortlist the top 20 that they want and then we will quickly go back to these guys and put them in a room with them in a form of a workshop and they will do their presentation to them in Ghana. To give them a case study of how their products are being used in Tunisia, their pricing, what kind of partnership they can get with them and whoever wants to buy will buy in large quantities and then they will be in the market already.

When we talk about revenue generation, of course, there is the events side. We get money from delegates that attend these events. We also get money from vendors of these events. Vendors fee, as it is popularly called and that is our cash cow. For instance, if holding the XXXX summit, which is like a yearly thing, we have vendors and then we have buyers. The buyers are the banks. So, financial institutions. These are the guys that are looking for the technological solutions to deliver their financial solutions to the public or to their customers, ok? And then you have then technological companies that have developed these platforms and solutions that can help the banks to deliver. So, these are the sellers and the vendors. So, at the summit, we are bringing together the buyers and the vendors in one room that they interact. So, the vendors (i.e. the technology companies) are the ones who pay us. Because we are giving them the opportunity to be in one room with CEOs, CIOs, COOs etc, a lot of them, from various financial institutions. So, we are giving them this opportunity, so they can pitch their products and solutions to the potential buyers between 100-150 potential buyers. So, there's a solution provided. They pay us money to help them with access to the market, so we are providing a facilitation platform for them. Because there will be one-to-one meetings we are going to provide for these guys, and they are coming to meet these buyers. So, we before they even come, with the response that we've already had some scheduled meetings with some institutions with some pertinent institutions. Then they will also know that they are going to meet you at the summit. So that's on the side of the events. The market access, you pay us an upfront fee, so we have two types of fees. Upfront fee plus commission fee or onetime fee. So, with this company in Tunisia that is coming, they opted to pay for a onetime fee and then a success fee so that they will get some buyer in Ghana who will get the percentage from it instead of paying an all upfront fee around fee of say 25k or something of that sort. They rather want to give us something upfront but then every sale we have a commission. So, that is basically our model.

The training course, we provide the training, that is the tuition for the members that enrol in the XXXX, of course, you pay training fee or tuition fee to us. that's our model.

The competition that we have, they are dispersed, in terms of every aspect that we have, then you might have a company that does that too. For example, even though we are not an events management company, when you take an event side, in terms of hosting summits or an event, then you will see there a couple of companies that also do that. you pick the training side and for example, we have CorpTrain Ghana, which is a corporate training company. Okay? So, for them, the training side is where they are competitors. In terms of the XXXX, we have the

ACCA, we have the CIMA, ICAGH, ACCE, and these are general competitors when it comes to professional course in Ghana. So, we have the ACC, CIMA, CFA, all these and all these companies are our competitors. So, in terms of one company that do whatever we do, is hard to find. But then everything that we do when you look you will find others in that space that also do it. Almost every area of the business has competitors, but you wouldn't find one company that embodies all the value that our company brings to the market. So, the core value we provide our clients is that we provide access and connectivity. It is our core value proposition to whoever we are working with. We understand the market, we can help your success, we can help you navigate through some of the challenges that you might go through. We provide you cost-saving, short sales cycle, wherever the clients want us to find, in and all-around Africa.

Cost: we have marketing, most of these activities we market them. Doing an event, you need to market and even if you are doing training you have to market them. For capital raising, and all those other services, it doesn't need much marketing, we are not doing any marketing, we identify, and we speak to the appropriate people, so we don't do mass marketing. Basically, marketing takes a great part of what we try to do. So digital marketing, we want to be able to put the message out there, we want to be able to put the brand out there very well, you need to get people to understand you more for them to trust your brand and then they will start working with you.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

We started by focusing on what we wanted to do. The training services, capital raising services, market access services. Ok? so we started with the training, ok, we faced some challenges so needed to make some changes. We needed to find a new partner which is the chartered global investment association, XXXX, which we are the lead training firm in the whole of West Africa for that programme. But we started in Ghana. So, what happened with the training is that we started it and it was supposed to be corporate training where we speak to HR managers who want to train their staff so that we can organize training for them. We recruited some trainers, so we spent the first few months to recruit trainers who are experts

in various fields, sales marketing, HR, management, finance and investment etc. these were experts who would help us deliver the training on our behalf. In the course of that, we realised that the market is not that strong in terms of companies' appetite for training and stuff. And this was our own training programme. You get it? So, we started by offering these training programmes on our own, we were doing these courses on our own via the experts we had recruited ourselves to run the programmes for us. Then the challenges that we were facing made us change our strategy and then partner with the XXXX. So that is what we are doing now, running the programme with XXXX. So, what we started with was marketing, Human Resources, personal development, finance and investment. But now we are focused on the investment analyst programmes due to our partnership with XXXX and what we learnt from the market not being read. So, that is what we are on now.

So basically, most of the things we are doing now, that is how we started. It is just that over time we have made some refinements or say tweaks here and there to adjust to the situation on the ground to be more specific on the way we do things.

### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a. Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

I'll say 4 out of 5.

The main changes are the training because that is what we started with. That's what we spent most of our time on when we started until we had to radically change our approach. The challenge was that companies that we approached, they were looking for certified programs. So that was the challenge that we faced in terms of meeting the requirements of the training programmes. Because the companies we were trying to reach out to they only needed certified programmes and not just any course that they could find anywhere. So, yes, the main changes are the training like how we were trying to move the XXXX to Ghana and people enrolling to the program and provide administrative services for XXXX Ghana.

We have the franchise for the tuition, sole tuition provider in Ghana, and every country that we want, we are already discussing things in Nigeria, hopefully, by close of the second quarter, we should get approval to provide tuition in Nigeria. But for now, we have Ghana, so we provide tuition services which come at a fee from the Body. So, because we used our offices for this XXXX in Ghana, but of course we are getting tuition money, but we still have to take care of the staff that is in charge of the XXXX. Right, so that is the major thing because we spent the major part of our time on the training in 2016 because we wanted to roll our services out, not all together, because remember we are a small team, so we started with the training, developed it for about six months before we even developed our summit. So, in the course of the training that is how we came up with the XXXX and that is how we've been able to get our feet. Now we are moving to our summit before we start our capital raising services even though we've some series of engagements or projects that we've pushed in the market. The main changes now are in the training where we got to bring XXXX in Ghana.

But for the business itself, the changes haven't been much, same people I started with, but there are some few people that joined. But there haven't been much on the business side, we are what we are, we are making progress, of course, people are knowing us every day, we are getting feedback on some of the activities that we have started. We are receiving feedback too from some potential partners, so we are making progress, of course. The main thing is because we had to change our original training package and bring XXXX to Ghana since most of the clients wanted a chartered program.

2. *What caused these changes and how do you know these are the causes.*

a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

Changes that triggered these changes or even what cause us to make these changes? I can't tell.

As I said, we are very dynamic, we are not stuck to things because maybe that is what we want to do and that's it. No! we try to be open, we try to tweak what we are trying to do to suit what will happen. Our values will not change, where we stand will not change, but then as to what we do and then our approach, they are subject to changes. So, we don't have basic fixed times that we will say we have to do things. We just keep on with our vision and we

are making sure that we deliver as we promise. If there is supposed to be a trait, of course we will adopt this approach.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

We assess what must be done then we execute. As simple as that

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

In all the challenges we've had we've been able to overcome them. As I said, we are dynamic and so we try to adapt to how things are. So, the things we noticed to be problematic we just found out what the market was ready for and then we gave it to them

5. *When you have made changes to your way of doing business, how did you assess the results?*

Very progressive and very positive. If it's been good, then we are staying or sticking to where we were. It's been very positive. There are no regrets. And for metrics, by revenue. Right? we need to make money, of course, so if we are doing something and it's not selling, then you tweak it a little bit and it's selling then it means you are doing something good. So of course, you need to measure it by that. By the results that we are getting and then doing something and getting outstanding feedback from your potential clients. Okay? Even if they are not working with you now, but then you are getting them to get back to you to provide feedback, it's very impressive. So, revenue, yes, feedback is also one, that we use to measure how people are accepting our new ways of doing things. So, yes, I'll say these are the two major things that we use to measure the results. Just so we see whether what we changed is working or not.

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

I can't think of any.

7. *What will you say are the external factors outside your business that impacted you the most and why?*

None, in particular, stood out in my view

## **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
- a. Has it always been like this?*
  - b. How was it like in the past compared to now?*
  - c. What have been the changes?*
  - d. Do you see this changing in the future?*

Yes. So, for example, the investment side every now and then we get people sending emails saying I have US\$2,000, I have US\$3,000, can you guys help me invest this money or where can I invest this money or what can I invest this money in, okay? We are not an advisory firm. Our role is to provide investment and business facilitation. We have not licensed AS advisors. We cannot invest your money for you, we are not licensed to provide investment advice on that level, so you can't call us and say I have US\$5,000 and then we will say come and let's buy treasury bill for you, you will go and buy shares for you or invest your money in this, okay? We are not allowed. That is not what we are supposed to do. We have regulations especially because people see us as an investment advisory firm, even though we try to explain that we are just a business facilitation firm. So, there is a limit in terms of what we are and can do. With the training, there is much because the XXXX is a global organisation, we do not issue a certificate, Okay? SO, the certificate is not issued by XXXX, no we don't. the certificate is issued by the global body network. Even though it is registered in Ghana, but the certification is not coming from us. so, the USA body, the Global Academy of Financial Management, they are in charge of the global certification of the XXXX, we are just providing administrative services for them in Ghana. So, for that matter, of course, you'd



inform institutions that regulate these programs. So, you let them know that these are the professional programs that are being done. Which we have already done. We just notify them this and that is what we are doing, we are not providing any certification, if we were the ones providing certification then we would need to meet certain requirements by the national accreditation board, okay? But since the certificate is not coming from us, we don't issue anything here, it comes from the USA. Those are some of the things

In terms of events, no, there is nothing. Of course, we can't do any illegal events or do an event that is not in the interest of the economy. We can't do events on cocaine or something without involving national security bodies. As long as it's a normal event or normal industry something where its managed well and it affects industries, mining, energy, construction etc then there may be some regulations we may have to go through for those particular sectors the events cover or affect.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*

a. *What has it been like in the past compared to now?*

b. *What has been the major changes?*

c. *Do you see it changing?*

d. *How do you get information about the market?*

e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*

f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We research. So, if it's an event, like the Fintech, we have to find companies. We are able to identify companies like Oracle, like MasterCard, PayPal, like Slydepay or any technology company that we know that are providing such services. So, we do research, online, reports, news, articles, and normal google search. So, if you find fintech companies in Ghana or fintech companies in West Africa, all these guys have some of these few words on their website, so they will pop up, then you just do more research. So, you find the people or organisations that are using LinkedIn, or you go to the company's website or searching news that is published on the executives of the company then you can find the names of some of the people that work there. The top executives right, because these are the guys you speak to, these are the decision-makers. So yes, that is one of them.

So, after raising two years, even though we've started but the process works whereby if we see the financial services sector, we can speak to any financial service institution that we can find. We speak to the CEO, the directors, we find out if they are seeking to raise money, how much they are seeking to raise, when they are seeking to raise this money, what kind of transaction they are interested in, okay? And then you also find-so that one is done on the phone, right-so we do the research and then we find companies that we think might need capital and then we speak to them over the phone, okay? And then we get them to work with us. we also pick up the phone, identifying investors in the Middle East or China, we speak to them over the phone that, "hey I am Paul calling from XXXX Accra Ghana, we work with a group of businesses that are located in the country that are looking for investment, like the ones you guys have been investing in. I have this one company, ABC bank, they are strategically positioned, these are their cash flow, these are their returns, they are looking to raise US\$ 5million, are you guys interested in this project?". If they say yes, ok good, if they say no, we move on to the next private equity firm or investment company. If they say yes, maybe they ask, send us some modules, we send it, we do a follow up if they are interested then maybe we just do the connection between them and then we are back and then the process continues. So, we just do research, identify the people and yes, everything is based on research.

But the training, the XXXX is mass marketing, we are targeting everyone from Senior High School to working professional. So, the minimum qualification needs to enrol in the XXXX is a senior high school qualification. So apart from senior high school, anyone from up there can apply. So that one is mass marketing, so you can't identify one person and speak to them. We do mass marketing, social media and that is it.

So, everybody here in the company does research, all of us are involved. Everyone. With the event, we have a production manager, so this is the person that does the research. So different companies, potential sponsors, he finds them. So yeah, everybody does research. It's something that we do every day. So today it might be like, right, research companies in Liberia or Sierra Leone, create an excel sheet, put the name of the bank, the people who work there, their job title, their email, we can find their website address and everything so that we can find them. So, we do this every now and then so that it can be easier to find them. So, we have a pool, we have an online resource where we put all this data, if anybody needs it, they can access it.

These days everything is online now so it is not difficult getting these kinds of information. As long as the people we are looking for have an online presence. For research, if you know how to research you should be able to find every information that you need. We just don't go to one place and say you can find everything there, you have to use a range of sources. So long as you are online, use google and other sources, put in on LinkedIn you can find something. If you need to find some reports you use certain keywords, very well, sometimes you can use even twitter, everywhere. You can find companies using their twitter handle to post information about themselves, or their videos, or whatever. They post something about their CEO when they were talking about their CEO winning an award, or the CEO doing something. If you search news portal, you find out something. So, there is no need to go to an event to meet people and all that before you can find information. There are friends that go to events just for information. Now you can find everything online and in large numbers and you know who you are looking for. So, it is not difficult at all.

3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

It is one of the things that we do, we are considering doing that. Before the end of the year, we should have the financial projections and our investment plan ready to raise some funding. It is one of our targets for the year. it's the thing, right, the story is not different from us. the system here is not small business-friendly in terms of money, access to money, access to capital. I think in most cases the last option is the banks. Banks are not friendly in this part of the world because the cost of going to the banks are very high. Unless you are doing something that has a very big big big cash return. The return has to be quick before you will be able to access the bank loan because even if you take it you can't pay back and things like ours to take time. So, it's not like a 3- or 6-months kind of thing. It takes time to build up and then be able to pay. It's hard. But we look beyond Ghana in terms of raising money. With our research we identify firms who are interested in what we provide then we see what we can do. But I mean it is not easy.

It will be easier in the future? I hope so. It depends. If you look at Nigeria in the region at the moment, for example, there is a lot of capital that is flowing there but this is technologybased

and the same thing cannot be said about Ghana, which is quite discouraging. But I hope, now that the financial institution are the key in the main source of funding for the company I'm sure if they get access to cheap source of money they can also be able to loan it out to small businesses otherwise we will need to have a revolutionary venture space, ecosystem that will attract more VC firms to move into the Ghana market into the start-up space and invest in the start up's here. I'm positive that things will change of course, and that we will get cheaper and long-term capital available.

4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

I mean, we are not so much constrained concerning getting people to work with. It's been okay for us. There have not been many challenges for us. If they are a fit, we pick them if not we let them go. So, it's not been difficult

But finding people that are well educated, that is always difficult. There is a disconnect between knowledge and what is needed in the workplace. Of course, we all know in Ghana the educational system, and what people actually study. It is difficult to find people that are well-grounded, and very sharp. So, you always have to go through training and take time to make them fit. So, everyone I'm working with you has to train the person before. But now they are all trained. They are now already made and with the right skill set. But it is difficult, it is difficult. You have to guide them. Everyone you need to put them through some training before.

And as to whether I see this changing, of course, it can. For now, I don't see that happening anytime soon.

5. *What is the situation like concerning contracts and agreements?*
  - a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

Well since we started, we've not had any agreement with anyone that fails. Before any deal, we sign a Non-disclosure agreement and we've not experienced any breach of contracts. Of course, we say and specify the terms clearly that if there is anything we will have to through the legal system. So, these are there. Negotiations come in the service and the benefits side unless you have an ulterior motive of breaking the agreement. It always comes down to what is in it for me what is in it for you. Once that bit is sorted out obviously you can work in peace without having to go to court or taking any kind of legal action. They all comply. Once you sign once they sign and it's all sealed obviously if there is a breach then there is an action associated with what must be done. So, so far, we have not been in a breach, since we started, that we have had to take on the whoever is responsible.

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

I can't think of anything

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

Well, we are having more of a China approach. You know, East or Asia approach. Because of what has happened in the recent past and how countries like China are aggressively investing in Africa and how they are opening up especially to Africa. So, we see that playing

a critical role in assisting most companies that want to assess the Chinese market and vice versa. I mean the investment from China into Africa has clearly affected businesses like ours. And it's one of the things that we are looking at and that we are refining our focus. In terms of our strategy, it has not impacted our strategy. Now, anything we are doing now it has not impacted us but going forward, okay? So it has impacted our thinking. So, we can say it's something that we are thinking about that okay we need to create a niche. We have a niche in Africa but globally we need to know where to step our foot. Basically, that is it. The conversation between China and Africa is something that's having an impact on our strategy for the next 4 or 5 years. On how we can draw more revenue from China. So, it's about throwing our net wide out there.

## **SECTION F-COMMENTS FROM PARTICIPANTS**

### *1. Is there any other topic or issue you deem relevant that was left out?*

So, we look at the broader ecosystem, right? So, you have the entrepreneur, you have the government, one major thing is the financial institution side or capital side which is one major challenge you will find for across businesses like ourselves. So, I'm thinking maybe you can look at the government side, okay? So, if you can get the support on the government side in terms of the support that the government is providing. Maybe there is an opportunity on the government's side that the government does not even know. So, you might want to find out those things that can help so the businesses can also access. Maybe you identify certain institutions that are very SME or business-focused so you can also expose some of their opinions or opportunities that can be accessed by these businesses. So, if you can look at that side too then it will be very good.

## **INTERVIEW WITH BUSINESS J**

### **SECTION A-The Present way(s) of doing business now.**

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*

c. *What makes your way business unique from that of your competitors?*

**Revenue & Value proposition:** So, as I have mentioned we are into farming, fish farming being the main business but we also some other farms where we do vegetable production. The main source of revenue is when we sell our fingerlings or our vegetables or when we sell our parent stock (i.e. for both catfish and tilapia).

Making profit? Like I told you when I was doing indoor when I invest like lets ay GHs1000 in my business, let us say I can get like say GHs5000 profit. But I didn't know that indoor was even affecting me. So, when I changed to outdoor, the same amount of investment, that is GHs1000, but yet I can get Ghs10,000. So, I make profit through selling of the fish seed to farmers across the 10 regions of Ghana who buy fish seed from me. and I also make money by the sale of my own broodstock. A broodstock has gotten a certain period of duration it is supposed to be used for. So, when that period elapses, we have to change the broodstock. So, by changing it, you need to sell them off, the old stock needs to be sold off and then new ones will replace the one that has been sold.so I make money also by selling my broodstock, or you can call them parent stock

**Market segment:** Our main target customers are fish farmers, hotels, restaurants, and some supermarkets.

**Cost:** What costs us mainly is the feed we use in feeding the fish. That is the major source of cost apart from that most of our things are done organically but the feed, they cost us a lot. Feed cost is a major cause of headache for the business.

**Key activities:** So, on a normal working day what I do is to change the water for my fingerlings and to feed them. We change the water, we feed, we do other activities which involve farm maintenance (e.g. weeding the farm, giving some medications).

**Key resources:** We have 62 concrete tanks for fingerling production, 9 earth ponds and 1 mini damn. The dam is 20 by 60 meters, the other one the concrete tanks we have 5feet by 5feet, about 40 of them. And I have another which is 20 by 30 meters and I have some 7 by 8, for the dimensions of the concrete tanks they vary across. But the total is 62 tanks. And

the dimensions for the earthen ponds they vary from one another. But the biggest is 45 feet by 100 feet and the smallest is 15 feet by 60 feet. One is 35feet by 90 feet, another is 35 feet by 90feet.

I even started developing a website but honestly, I stopped. It's now that I am developing it aggressively. I can give it to you, so you check it out. It's not yet developed but you can go on there and look at some small pictures and other stuff I forget to cover in this. **Key**

**partners:** At the moment we have partners. I am the owner of the business.

**Channels:** When they buy or make an order its either they come to pick it, or we put the cost of transportation on whatever it is they are buying then we deliver it to them. I don't normally deliver it to the buyers, they come and pick it themselves. But sometimes some farmers they will like you to deliver it. But about 80% come to pick their fingerlings from my farm. The reason is that some people want to witness the counting and be sure that the fingerlings they are being given are exactly what they are paying for, so they will like to come and pick it up themselves and then witness the counting too. If they are requesting 100,000, for instance, they want to be there and see that the number that you are given them, they are getting value for their money.

**Customer relationship:** Some of the customers are repeat buyers so we have a good relationship with them.

What sets me aside from my competition is that my fishes when you buy them, they grow fast. Because we don't give them any antibiotics. One, because antibiotics retard the growth of fishes. And I can say boldly that in Ghana 99% of the hatcheries are still using antibiotics, that is the old system.

There are some people they don't do research they just adopt the old technology and the old systems. So, they will keep on using antibiotics. But like I've told you they may be using it and be thinking they are making money but there is a technology that works better than the one that you are using but you may not be aware. But when you get to realise this then you are free to double your profit.

So, farmers do come to me, every day they wait until my fish seed are ready because they grow faster, you see, and they are resistant to disease.

So, these are the two major things that make me better. And any quantity that you order from me, I will be able to supply you because my facilities are many. I am in the field, so I know what is going on. there several other hatcheries in Ghana when you go to them and you ask for 30,000 fingerlings from them, they will not be able to deliver it to you, especially catfish.



But for me, when you order even 200,000 from me, I will be able to deliver. You can give me one month and then you will come and pick your 200,000.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

You see when I was young, I was having the interest in a farm in general so in fact I attended the college of electrical engineering and after school I began to do small small research on fish. So, the interest was there since childhood, so I looked for somebody who was having the practical knowledge then I worked for him, I served him, and he taught me the things I needed to know in order to do the hatchery business. So, after the training I decided to set up my own hatchery and then later I started the farm alongside. Started with the fish and rendered services such as fish breeding and then later vegetable production. We do catfish and we do tilapia and I have been operating for 9 years. We were actually awarded, in XXXX the best fish seed producer in the Ashanti Region. In XXXX we were also awarded national best fish seed producer. With farming the way of operation is essentially the same. So, we set up and started operation of our farm and later went into vegetable production. I started from humble beginnings after I learned the trade and in the initial stages, I did it alone. But as I grew more hands were needed and so I took on more people to help. The thing also is that with fish farming every now and then you need casual workers to help with some of the jobs and in our line of work, having casual workers is not always straightforward. So, I had to take on some of these along the way as full-time staff.

## **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a.*  
*Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

A lot of changes. For instance, at the start, I was doing indoor. The hatchery we have two systems of doing hatchery, we have the indoor and I was practising indoor so later I realised that I was having a lot of challenges. I was having a lot of mortality issues with the hatchery. So, I realised the fish was lacking some vitamins from the sun and by so doing I had to construct extra tanks outside to give a try to it. Then I realised that that one is working perfectly for me. So, I had to move from indoor hatchery to outdoor. That has been the major change for me. I was doing indoor for about 4 to 5 years. But later when I realised the challenges, I decided to move outdoor. And the outdoor is giving me results. And again, I was using antibiotics very well indoors. But the outdoors I am not using it. I even stopped using it. Because I later realised that it is leading to antibiotic load in the system. Which even in the US they are trying to come up with laws to fight antibiotic load because it is now killing people. Because when the farmer uses antibiotics the fish may later have antibiotic residue in their body which ends up killing people. And this thing is a problem because for instance if you eat fish like this with an antibiotic overload in them you may be having headache, you take maybe one paracetamol and it may not solve your problem because of that fish you ate. That means the problem that is giving you, the headache has developed some resistance. So, I got to know it and right now I don't use that method or any antibiotics anymore.

I've also restructured the farm. For the restructuring it has gone on on several occasions because somethings, maybe when I am doing an expansion, the farm is in such a way that maybe you come to see today and I'm having 3 facilities, tomorrow you come and see 8, the subsequent days you come too different designs. I had to restructure because you have to learn new skills every day, so when you learn something new, because aquaculture is such a broad industry, so when you learn something new and then you realise your own system is not good you have to adjust to the new technology so that it will also help you boost your productivity and up your production.

There are some other changes but let's put an end to those questions and go on to other questions.

So very high change. Very high. I will say 5.

Because when I measure the changes or the growth of what has happened and then what I have seen that makes me go for the 5.

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

I do a lot of research, my own research online. And sometimes through the fisheries commission. Normally they take me to training. Normally they endorse me and say go to training at this place or at that place. So, through the training, I will be able to exchange some words with other farmers to know that, oh, I'm using this and that system or approach and is working so you can try. So, I will just experiment that system and see how true it works. So, by so doing, when you realise that it works then you can adjust to it.

The training too is me alone that goes for it. Because of my level. You know, my level, the level of experience that I have and the services that I render. They do the selection with respects to records that you deliver to the MOFAD, that is the ministry of fisheries and aquaculture development. So, data, through the data. They do the selection according to the data that they have. You see, or quarterly reports because every quarter you have to report your activities, the number of supplies you made. So maybe if this quarter I've sold 100,000 fingerlings I have to let MOFAD know that that is what I've done. Second-quarter, I have to report. Third-quarter I have to report, till the year ends.

At the office, they have my data and they know that. The data too has to reach a certain level before they can take you to training. So that is the advantage that I have. That is why they always pick me for training

So, when I do the research and go on the trainings and speak and discover new things when I decide to make changes.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*
  - a. *How do you go about making changes?*

When we want to make changes normally some of the changes attract money, so the only thing you have to do is either you go for a loan or you run your farm to raise money to expand so that you will be able to afford that new technology

Any changes attract money, you see? If you see any new technology and you want to adopt, you need to pump in money, if not you can't go for the technology. Because for instance, if you are doing indoor hatchery and you have that five dimensions that I gave you, I was using

that for my indoor. By when I discovered the outdoor method, I have to change dimensions to 17 by 30 tanks. You see? And that dimension is 5 times bigger than the one I used indoor. You see? So, you can imagine the money that you need to construct that tank? It's a new technology and you need to build more of them, so you can be able to produce more. So, if you don't have the cash you can't adopt it, you will just be maintaining small small. When I do the research and go on training and speak and discover new things. Tanks and you will be struggling, and you will not get any assistance from anywhere too.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

You see, because I manage myself very well anytime I see any new opportunity that will make my business grow and it attracts money, sometimes I have accumulated money inside my accounts, I will touch it and then restructure or accommodate the new technology. I will take money from the company's account and add mine for the new technology. But sometimes the money might not be up to the amount that you are expecting to push to get the new technology, so you have to go and look for loans. And this business is in a way that a farmer can come and give you money, let's say GHs10,000 and say I need fingerlings in a months' time I will come for them. Is money he has given you without interest, you see, so sometimes I take advantage of those farmers and build on to get new technology. So, when they pay ahead of time it's like they did a deposit for the fingerlings then you take advantage of the money then you use it. So, when the time is due the come and pick their fingerlings. If you got to bank with that money you will pay interest that you cannot afford. So that is it.

5. *When you have made changes to your way of doing business, how did you assess the results?*

When the fish are growing, and farmers are giving us feedback on what we sell them.

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

I don't know

7. *What will you say are the external factors outside your business that impacted you the most and why?*

Some of the things that do affect my business are that some of the farmers don't have any technicalities in that industry. So, they will just hear that there is money in fish farming, they will not seek any education in managing fish pond, they will just go and dig the pond, and buy fish seed. You see there a lot of predators outside, so by the time, the farmer will realise they will out 1000 fingerlings you will go, and you will realise that you have maybe 500 fingerlings. Ask him where is the 500 gone? You see? So, if this farmer is not well educated, they will tell you that your fingerlings are not good or maybe, your fish is bad. So, it's a factor that is affecting our business, outside. These are some of the external factors. And you see, someone will say if the person doesn't have knowledge how does that affect your business. but you see, the farmer will come and will not tell you that this is my first time so that you just educate him. The person will just buy the fingerling s and go, you see? The person maybe will be coming from different region to come and buy from you. Even if you are willing to educate him to look at where the person is, very far. You can't go to monitor him, you see. Because they are not read to pay for consultancy fee so that you go there and educate them. So sometimes, sometimes, it's just some few times. But still, it's affecting the business

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
- Has it always been like this?*
  - How was it like in the past compared to now?*
  - What have been the changes?*
  - Do you see this changing in the future?*

Some of the regulation s include stock density. Stocking density regulations every pond has gotten a quantity of fish that it is supposed to take. So, if a pond is to take 1000, you are not supposed to put more than 1000 fishes in it.

Also siting of the ponds or siting of the farm. Siting of the farm is not done by us. it is done by a certain commission. So as a fingerling producer you are not supposed to do siting for a farmer. And the size of the fish the farmer is supposed to take is 5 grams. All these regulations come from MOFAD. These regulations came into force recently because they realised that farmers are not making good returns in fish farming. Because for instance, some of the hatcheries will supply very tiny fingerlings to farmers. Which will end up affecting the farmers. It's there, the regulations, but they enforced it recently.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

Always any customer I have I have gotten his contact, so I could call them directly. So, I speak to them directly through phone conversation and I will just say, do this and that and that, and I will just advise them

3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

Getting loans in Ghana here is very difficult especially we the agriculture sector. More especially the aquaculture. The Agriculture development bank (ADB) too that are there that many people think they support us, hmmm, they support but on conditions and their conditions are so tough to the point that ordinary farmer cannot afford. Because I remember that I went for a national award in XXXX, ADB people came there, they came to educate the farmers. They told us that why are we not doing business with them? So, we should start

doing business with them, they will help us get a loan with a very low-interest rate to build up our businesses. After that I went to ADB set up an account, they asked me to operate for six months, I did that. After that told me to bring collateral. I took my house documents to them. They told me I don't have a lease on the house, so I should go and do a lease. You see? So, the lease alone can take not less than 3 years before you can get a lease, so the process that the lease will go through you cannot get it within a year. and the lease too was going to cost me about GHs10,000. And the loan that I was looking for, was GHs 6,000. So, imagine taking of GHs 30,000 and going through a lease for Ghs10,000? You can imagine. So later even their own worker, one of their bankers advised me that the process that they are taking me through they just want to frustrate me, they won't help me. because this leave that they are requesting from me, I will not get it even within a year. So, I should forget about it and go to a different bank who doesn't deal with a lease and work with them. You see? So sometimes accessing a loan in Ghana here, a lot of the banks, it's very difficult. A lot of them.

This may in the future change. It may change unless you adopt their technology, their system because you have to go and look for a lease. when you have any property, you have to look for a lease and attach to it. When you get the lease in fact, they will give you the loan. But how many farmers are even aware of offering for a lease? You see? So, farmers will continue to suffer in the hands of banks, especially ADB, this Agric development bank, they are not helping us. It's a very serious issue, they are not helping us at all. One bank that I want to, I don't know if you have heard of them, Sinapi Aba Savings and Loans. By then I wasn't having an account with them. But for them too their interest is too much, you will just be working for them you will not be getting anything on the loan. It's too much. So, them, they asked me to go and print my statement from my bankers, so I went and printed my statement, gave it to them, they gave me a loan, I paid. Then I went for second loan, I paid. But I realised, the way the loan dragged me, with my profit, I decided to stop and look for another bank with a lower interest rate.

4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*

*e. Do you see this changing for your business?*

For getting people it is easier because there is a lot of unemployed youth outside. One thing is that since aquaculture is not all that developed in the country the educated ones do not have any skills. They are almost the same as the uneducated ones. That is it. Those that have studied it they do not have the practical skills. As we speak, some university, the University of Development Studies (UDS), I went to the post office to take their letter. Normally they bring their students to me for training. So, I just went withdraw the letters from them.

Those that have been educated in it don't even know anything practically at all, but they do come to my farm just for the practical. So, I just lecture them, we do this, and we do that. Because they have the theory, but they lack the practical. So, we just add the practicals to them

5. *What is the situation like concerning contracts and agreements?*

*a. Do you face any challenges in getting them adhered to by yourself or others?*

*b. Is this how things have always been? How was it in the past?*

*c. Do you see this changing in the future?*

Yes, yes, they do follow. Unless you yourself have failed and not live up to your words. Or instance, a farmer can come to you and deposit money. And you make them go and come again in 4 weeks' time. So' you see, you are supposed to go by your word and deliver in the 4 weeks' time. When the farmer comes and in 4 weeks you have delivered, normally they do give you some time. Do that and they are okay. But when you fail, you are in trouble.

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*

*a. Which ones will no one communicate to you, but you will be expected to know?*

*b. What are some of the way of doing things in your industry that a newcomer will not know?*

*c. Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*



- d. *Is this how things have always been in the past?*
- e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

Some of the informal behaviours are that we have those who buy the fishes after your fish is matured for buyers to come and buy. The local buyers when they come, supposing when they are buying 100kilos, they will not buy 100 kilos straight away. They will tell you, give me 20 kilos, after you do it, they tell you “to me so” (an expression in the Twi language which in English will mean “be nice and add more to what I paid for). So, they say “to me so, just one fish” (i.e. please be nice and add 1 fish for free). So, after buying 20 kilos and asking for a few more for free, then they will tell you, ok, am buying 20 kilos again. Then with that new 20 kilos too they will say, “to me so”. After you have done that, they will wait a while and say, ok, I’m buying another 20 or 30 kilos and then repeat what they started. So instead of buying 100 at a go and asking for a few for free. They break what they are buying down and buy in smaller bits over a certain period while they are at your farm; just so they can get as many fishes for free as possible on what they are actually paying for. So that kind of buying in piece piece is b not helping. So, if they are buying 100 kilos and they decide to buy it 20 kilos 20 kilos and ask for one extra fish or even a kilo for free on every 20 kilos. By the time they finish, you would have ended up given away 5 kilos of fish for free. So, these are some of the informal things happening in the industry that I think is going on that is not helping us

## SECTION E-INFLUENCE OF EXTERNAL FACTORS

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

(Same as question 7 under Section C)

## SECTION F-COMMENTS FROM PARTICIPANTS

1. *Is there any other topic or issue you deem relevant that was left out?*

What you have to do is to offer us access to training and maybe access to funds so that it will make the business easier for people. Like I said the fish feed is very expensive and so if you have some technology that can make the fish feed any cheaper that one is also welcome.

Training, access to funds and maybe probably electricity at a reduced price. So subsidized fish feed to make the industry good and for people to be able to enter

## INTERVIEW WITH BUSINESS K

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

**Customer segment, Value proposition, Channel & Key activities:** XXXX is a food business selling Yam Chips and chicken with pepper (chilli) sauce and its run by a husband and wife. The business was originally started by the wife and eventually, the husband joined in the management. XXXX takes a local recipe, puts it in an attractive package and sells it in a motorized tricycle contrary to the traditional model of selling it in plastic bags by market women and roadside vendors. The food itself is a local delicacy of Ghanaians and so it's not new. What is new is the way it is packaged in a branded take away paper box for customers compared to the traditional way of selling it in plastic bags. Another novelty around the product is how the food is prepared. Traditionally, the vendors fry the yam chips and keep it in a container until a customer makes a purchase only then will it be dished out. This means the food sits around for a while and thus do get cold more often than not depending on how long the yam hips have been sitting. To avoid this, XXXX prepares the yam chips only and chicken only when a customer places an order. At the back of the motorised tricycle is a structure akin to a mini-shed which is used as a kitchen for instantly preparing the food. This instant way of preparing the food means XXXX can always serve their meals hot. Also, the fact that the food is literally prepared at the back of a motorised tricycle helps the business increase sales. They simply drive the motorized tricycles to a different location with more traffic once sales are low in a particular location. The kind of food they sell is traditionally sold by roadside vendors and market women most of them operate from a fixed spot. Thus, the mobility XXXX has via its motorized tricycle gives it an urge over the traditional seller of yam chips and chicken. We sell to all and sundry

**Customer relationship:** We always ensure we talk to our sellers and remind them of how important it is to maintain good relations with all the buyers regardless who they are because how you treat people determines whether they consistently buy from you or not

**Key resources:** Now we have 3 motorized tricycles which are very key to our operations and a small Kia Picanto as a company car which we use to send food and stuff to the various sales outlets. I will add myself and my husband.

**Key partners:** We don't really have any partners. But we have some sort of arrangement with the government, about youth employment, where we have to employ a certain number of people in our business and the government will subsidize our operations with a certain amount of money.

**Cost:** Salary, food ingredients, maintenance and fuel for the company vehicles, these are the main ones. But every now and then we have to cater for the cost of injury to our staff.

**Revenue:** Our revenue is solely from the sales proceeds from the food we sell.

What makes our business unique from a competitor is that regardless of my involvement in the business or not our food tastes the same because the kitchen staff know what it is that we do and anybody new comes in new is trained. That is key. Also, the business is being managed by myself and my husband who are both graduates, I have my degree in home economics whereas my husband has his in human resource management. But you go around to see any of the fried yam vendors, and some have not even been to school. Also, our packaging. Our packaging makes us unique from all others we are competing with. You only see this kind of packaging when you go to places like burger king or proper restaurants and all these food stalls in the malls. You don't find this kind of packaging from the roadside, especially with our competition. Anywhere else you buy fried yam they just put it in a polythene bag and carrier bag and hand it over to you. But with us, you got a paper box that is properly packaged and brand and you get tissues and all that with it. Also, I think our taste is unique. It is part of the reasons why the business grew so quick because our delicacy couldn't be matched by those who sell on the streets.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

I first started the business alone and it was just me and one other attendant in a small kiosk. The kiosk I showed you in front of the house. But it's been a long way from there to where we are today. Long story short, I started alone, with one other attendant, I sued to make the

food alone myself and do everything then the attendant will sell in the kiosk. Demand was high and so thing grew from there and I had to employ more people. The yam chips we sold was way better than that of the average yam chips you find on the street. You know I studied home economics at the university, so I combined my education with my knowledge of cooking to craft very unique recipes for the business. So, we could keep the taste consistent as we had more people join us. in the past like I said it was me and the other person, so things were pretty simple. You cook and sell, and that was it. But things changed a little bit more as grew and had more people joined because now, I had more people selling and more people in the kitchen cooking with me, so I had to find a way to keep things consistent. Like I had to use measurements and stuff and tell the people how much of each quantity to take when cooking what and I had to make sure they followed the measurement. So, we would peel the yam and season it and everything and package it and send it to the sellers so it's ready to be fried. Then with the chicken, we would season and steam it, so it's only left with the frying. And at this point we had more than one kiosk, so we would finish and have to hire a taxi and send the food to all the locations. So that is pretty much how we operated, and we kept on growing and adding more and more people till we got the grant I spoke to you about that got as to this stage we are operating now.

### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a. Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

I will say 5. The business has changed completely. Look at where we started from, it was me alone and one other person and now we there is 22 of us. First, we sold in one kiosk. But now we have 3 motorized tricycle, 2 pop up stands — which we use every now and then —, we have more staff, more people cooking and more people selling, we have a company vehicle for moving around and me and my husband managing the business full time. So, we have changed completely. We have grown and expanded in all areas.

Like I was just saying, we have grown in all areas. Since we started, and the demand started growing we have never looked back. We have been growing and growing and an example, for instance, is the fact now we have 22 full-time staff doing what only 2 people did some years back. Like now we have our own accountant whereas in the past we didn't. So, things are really not the same.

2. *What caused these changes and how do you know these are the causes.*

a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

The changes in our business were mainly caused by our desire to grow and become the best in what we do. Because of that, we are always looking for what to do and how to make the business grow and become more profitable. So, if I notice anything that I think is not good I correct it, if I get feedback from customers or the staff, I implement it depending on what it is. So, it's the growth. You know where we wanted to go and what we wanted to achieve so that is what we worked to strive towards.

Whenever we see a problem with that business that demands that things be changed. For instance, there was this time where we needed more money and could take from the banks because it was either too expensive or their demands were too high. So, we entered this competition for small businesses where we came in second and that is where won two of our motorized tricycles, and we even got a monetary prize too. So, when we realized we needed to change something we started looking around for possible ways to go about things and at the time we came across this competition and then took advantage of it.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

I discuss with my husband, as we are the managers and then we brainstorm around it to see how best to proceed.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

The challenges have been many like I have pointed out but it's the determination to succeed that has kept me going. When things got bad, I just looked at where I started from and that motivated me to keep pushing. Because it's like I have come too far to give up now; that kind of thinking. And also, when my husband had problems with his work, and he came to join me grow this business things became more serious now. Because this was now like our main source of income and so we could not afford to slack. So that drive always pushed us on and kept us pushing to succeed and make things better with the business. we got more motivation to build our brand and make the business so profitable that it could provide for us and our family. So, it's the drive and determination on our part and the importance of the business in our lives that kept as pushing in times of challenges; and in fact, they still do.

5. *When you have made changes to your way of doing business, how did you assess the results?*

the numbers don't lie, do they? If you are doing well your accounts will show. And especially now that we have an accountant it is even easier to tell whether your books are good or not. So, we, it is the money

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

I don't think it affected us much at all. I mean it is had to do business in Ghana, but we knew what we wanted to do, and we found a way around how to do it and do it well.

7. *What will you say are the external factors outside your business that impacted you the most and why?*

I am not sure about this because most of the things that impacted us were more moneyrelated. All the changes we had to do every time seemed to require money and where we had money to execute there wasn't much of a problem but where the money was available things seemed to be okay.

## **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*

There are no regulations. People have been selling fried yam on the road from time immemorial and in have never in my life seen anyone talk about the rules and regulations they have to adhere to. And we are just the same as them. The only thing we did was to innovate on the same things that these people are doing by the roadside that's all, so I don't see any rules or regulations that apply to us.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

That one is easy, we just talk to our customers and find out what it is we want to know.

3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*



That is very hard in this country. Wherever you go they don't want to give you the money you are asking for. Where they are willing their terms and rates are just too much that you are deterred from taking it. As for this, I am not positive about it at all because I don't see it changing or getting any better. You now that you are in Ghana go around and ask for a loan and you will hear the interest rates, they will mention to you.

4. *How is it like getting people to employ?*
- a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

It is not hard because there are always people looking for jobs.

5. *What is the situation like concerning contracts and agreements?*
- a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

We are not in a position where we are having to sign contracts and go into agreements with people

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
- a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*

- e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

Well, it is about the attitude of works and how people when they work for you and they learn your tricks and trade might end up leaving you to go set up a business of their own using the methods they learnt from you.

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

1. *What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

One main thing that affects us the is actions of the government around the youth employment arrangement they have with us. You see, we have an arrangement with the government that we will employ people then they subsidize our costs. It is some form of initiative to help curb unemployment in the country and we are part of that. But the problem is that sometimes the payment delays and so operations get tough for us. Imagine you make plans with this money that it is going to come at a certain time, and you will use this amount or that amount to pay your workers and that amount to do this and that then the money delays. It makes things hard you know. And for instance, imagine the month is up and you need to pay workers but this money to support us is not in. The workers too will be needing their money and whatever you say to them they won't buy it why, because they may be thinking that maybe the money came in and you the business owner have spent it or used it for your own purposes. So that is one external thing that really affects. Even that you don't know how long this subsidy is going to continue because another government could come to power and cancel that initiative

## **SECTION F-COMMENTS FROM PARTICIPANTS**

1. *Is there any other topic or issue you deem relevant that was left out?*

No.

## **INTERVIEW WITH BUSINESS L**

### **SECTION A-The Present way(s) of doing business now.**

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

**Channels, Customer Relationship, Value proposition, Market segment, Key resources and key activities:** XXXX started as Saint Abi in 1988 by Mrs XXXX, my wife when she completed fashion education and started from her mother's balcony. Then she started training people and doing some sewing on the side. Then she grew and moved from the balcony into a container (kiosk unit) and then from there to a shop at XXXX. Then from the shop, they moved to where we are now since the business outgrew the premises. So, from 1988 it evolved from XXXX to XXXX. So, she started as a sole proprietor and she was discovered by the P.R.O of Printex (fashion) and they did a fashion show.

The business has now grown into a fashion design house and a design school with accreditation from the National Accreditation Board in Ghana with accreditation to provide Vocational and Technical Education programmes in fashion. The company has its own premises for sewing, another for their lectures. The company is without an organisational structure as all direction proceeds from the Managing Director. But regardless of that, the operations of the business are formal especially with the educational side of their business which is set up with a head tutor and specialist support tutors. The founder, my wife, is involved with the educational side of the business but tends to be more involved with the educational side that is informal, and trainees are not awarded any qualification. The formal side of the educational side of the business is where there is formality and tutors have been recruited to teach. The fashion design and couture side of the business is head by the founder who is actively involved in how things run in that aspect of the business as that side of the business was built on her sole proprietorship experience.

So, when the fashion show came out, she decided to use the name she used in that show as she did fairly well. But it became a school officially in 2013. So, it was actually training people the informal way. So, we decided to go formal in 2008. Then we became registered with COTVET in 2015. Currently, we have over 200 students. When we talk about being a fashion house we are a garment construction company that produces garments for companies

and individuals and so, for instance, a hotel or a school can walk in and say we should design their formal wear for them or maybe their uniforms or something for a particular occasion and we can just go to our studios and bring a design, show it to them for their approval and then design for them. Individuals also can walk in and say am going to a special party I want couture, a very good design to attend a programme or party. When it comes to the school side of our business, we are a CBT/TVET (competency-based training/Technical and Vocational education Training) provider in the area of fashion and design. We are registered under COTVET, which is the Council for Technical Vocational Education training, that is the government institution that accredits competency-based institutions in Ghana, and we are registered with them and we are a TVET provider. We are also with the SPINET association of fashion designers. So, basically, that is what we do.

Under the training and fashion design, we have an informal aspect and the formal aspect. Formal aspect has to do with those that want to be on the national qualifications framework and do programmes that are nationally accredited or registered. We currently are about 80% of getting our full accreditation from COTVET and we've also started registering and getting accreditation from NAB, i.e. national accreditation board. So, for the aspect of the training that is what we do. We train almost everyone, those who have been to school and those who haven't been to school. Our kind of training deals more with the competency area, which is the trade area of whatever skill that you want to acquire in the area of fashion design and decoration, event management and planning (i.e. event decorations), makeup, hair and what have you. So, with the aspect of the training that is what we actually do.

**Revenue and customer relationships:** revenue is from the training fees for students, proceeds from fashion contracts, hostel accommodation fees from the hostel we provide for the students, sewing machines and already made costumes. We have a lot of competition especially now that most of the polytechnics have been turned to universities there is a lot of competition there. Because people will prefer to go to a university and have something with a degree attached to it and is more connected to the government. Then again too, there are other fashion schools in Ghana that also, I mean, who are also doing well that also become a competition for us. What makes us different is our ability to transfer knowledge to our students to make them able to deliver up to industry standards. We have a unique way of instructing our students that makes them be able to deliver industry standards when it comes to the create area. When I talk about the create area I'm talking about the practical area. Then also with the aspect of the fashion house, my wife is very creative, and again our customer

relations strategy is very very good and so it makes us stand out as compared to others who want to be seen as celebrities in the fashion industry. We have come to understand that without the client the designer has no job, so we have a way to make our client our friend so that we can keep our clients. Again, the competency level when it comes to the skill of the designer herself and the workers which we recruit both from our school and from outside also gives us a lot of edge or competitive advantage over our competitors. So, our very main area that is a level of competitive advantage is our competence, that is the level of competence. The competence level, which covers, our strategy of getting the students to know what they need to know to deliver to the industry standards. Then again, our price. We are positioned as one of the cheapest compared to those in our level, that is to say, those in our level when it comes to our level of competence. Our price is the cheapest so that also gives us a competitive advantage over the other fashion houses.

Some of the workers, they do work and pay, so when they come and work for the week, we calculate their wages based on the amount of work done and pay them. Part-time workers. And their wages are entirely based on the work we have. So, if I am not there my wife takes control, and if she is also not there then the Registrar who is also the administrator takes charge. If the administrator is not there, then the assistant to the administrator takes charge. If none of us is there, then is the accountant who is the cashier's task to oversee things till one of us is back.

**Cost:** the cost we incur in running all our operations like salary, buying material, fees to the regulatory bodies, light bills and maintenance for the hostel and lecture halls are some of the main ones.

#### **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

See question 1 under section A

#### **SECTION C-Change(s) that have taken place in the way of doing business and context.**

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back?*

a. *Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5
<p>4 out of 5. Well, I think that the very strong change is the technological change which has to do with the current change now that is going on with social media and what have you. It impacted the fashion business in a very big way. Now, clients can contact you on social media, you can talk to them via skype, get to see them, get to be able to their image and what have you and be able to talk with them and be able to come to an understanding that you want to do for that company or that client and is done, they approve and it is sent. So, the change actually has to do with currently what we see in the world now which is the social impact which we have. And the again the easy way of making payment by phones, which is people can pay you money wherever they are because it is on their phone which has also impacted our business.</p> <p>So, the internet, social media, it has really impacted our business as compared to formerly you only sometimes guess because you can't even talk to the client on video and get to see her and what have you. And also, delivery, formerly it takes a lot of time before the person gets it but now it takes a day or two, your things can get to china or brazil. I mean, all of these have really impacted our business</p>					

2. *What caused these changes and how do you know these are the causes.*

a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

For us, we actually do a lot of feasibility studies, looking at the trend and looking at social media and looking at what is being discussed there. Because more of our target customers are on social media. So, we do feasibility. We don't wait to do it and then find out we find out the outcome first. The particular age group that we target are mostly the college-age and young professionals, they are the ones that are more fashion ardent and fashionista's, they follow fashion more. They are our target and more of them are on social media. So, we do more of feasibility using social media, so we get to know what they prefer, what they are talking about, what they don't want, I mean the kind of change that they will prefer and what

is influencing the way they are thinking. So, for us, to make the change, which is a major change, that is the area that we do focus on a lot.

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*

a. *How do you go about making changes?*

We just get on with. Are we supposed to do anything special before? We just act. We take action, that is the next step.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

The major challenge is access to information. That is access to information. You know Africa, our internet is not very strong, sometimes on sometimes off, and so it makes us delay in terms of what is current and what is trending and what is the need. Sometimes something that the youth notice instantly, it might take you a few days or even a week to know because of our challenge when it comes to our internet connection. And so, therefore, that is one key challenge because now the world is a global village and the internet has become a place that everybody looks out for information and what have you. So, we having a weaker internet is a major challenge for us when you want to make a change. Because if you want to make a change, certainly you will have to do feasibility, you must understand what is going on in the minds of people, what they are saying, etc before you can make a change in an area of your business and the only way you can also do that is when you have access to information, that is detailed information. And sometimes due to challenges with our internet you might get the information, but it is not as new as you want it to be. So that is an area of challenge. As a business, we know that most people have financial challenges when we have to access facility from banks and from other financial institutions because of the time it will take if you want to access credit to augment the implementation of your change. Sometimes it takes a longer time before the credit will come, sometimes it might not come at all due to just basic, simple mistakes that probably the business owner committed. Instead of them to help you correct the mistake they can even stand on it to refuse you a grant or a facility. So, I think these areas when they are looked at so that businesses in Africa, precisely Ghana will

be able to access financial support and grant. Not only from financial institutions but also government grants I think is going to help a lot in us implementation our changes. So, these are the area of challenges that we have had when we tried to make changes.

Well as a business in Ghana we go a step further to use every other means that will make us be able to face these problems and know what is going on. For instance, internet if it is not working, there are other information areas that we can get information from. For instance, we can get information from cable networks, that are all around the world, you must be hooked to one of them so that you can get to see what is going on around the world and so we make use of that. And again, when it comes to the financial area, we try our best to use internally generated funds, we cut down our costs and expenditure and use internally generated funds as a second means of financing whatever change that we want to implement. So, these are the areas that I can say we have used to overcome some of the challenges. It is not easy, but we try to use it to overcome the challenges so that we can move on as a business to the next level.

5. *When you have made changes to your way of doing business, how did you assess the results?*

Like I have touched on in our conversation, we do the feasibility to find out the way to go before we take action. We don't act first to see what the outcome will be. We see first people that have done a similar thing and we find out the outcome and if we are happy, we do the same.

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

I can't think of any specific thing at the moment

7. *What will you say are the external factors outside your business that impacted you the most and why?*

All of the things outside that I have already mentioned affects us but it depends. You see like I was mentioning they all present different challenges to us at different times. It is more or less what I discussed under each of them independently



## SECTION D-Institutional context of the past and the changes that have happened in the institutional context

Tell me more about the context/surroundings in which your business operates in (institutional voids):

1. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*

Sure, there are regulations when it comes to the creative areas. Yes, we have regulations from the government and also as a private institution that is also under SPINET, SPINET have their own regulations. Again, with the area of the school, we under COTVET and COTVET have their own regulations you need to make sure that you abide by them. So, yes, there are governing institutions and their regulations that you need to make sure that you do the right thing.

2. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

With this, I already mentioned how difficult it is to go about getting information because of the internet issues and all but in future I see a lot of changes happening. Day in day out new people are bringing in more technological solutions and easy access to information so I believe that certainly all of these areas will improve every year just as it has been happening.

Yes, I am positive that certainly, it is going to improve.

3. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

With capital, I will say it is even better now than in the past. It is even better now than in the past. Formerly, even if you don't have a certain amount of money you will not even be able to open a bank account or even access facilities but now it has improved. Banks in Ghana are doing well. So, I believe that going forward it will be better. Now that they are allowing a lot of private businesses to thrive and currently this government, I am not a politician, I don't belong to any political party, but I think that this government that is a government that is open to private institutions and they are doing well in that area of private companies to set up and they are helping to make sure that taxes and what have you are lessening for private companies to thrive in the economy especially in the banking industry. So, I believe if it continues like this whereby private companies are supported and encouraged and they are assisted by the government I think that it is really going to improve this situation more and more and more and it is going to help businesses in Ghana especially SMEs that is small and medium scale businesses in Ghana.

4. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

Well finding well-educated people to employ that is quite of a challenge. In the area of the garment construction, we produce garment for people and there is a big challenge there. Because formerly, most of the people that were trained were trained by trainers who were not, I mean, opportune to be able to have what we have now. Which is currently you can even learn on YouTube how to make something better. But some of them who were trained in an informal way, they were the people who trained most of these people available now

and these people so to speak were not people that are, I mean, good when it comes to social media and internet and what have you. So, most of the people that were trained by these roadside people, it is difficult to teach them and make them start working. When you recruit them you also have to retrain them and bring them to the level, so that they can meet your standards and the standards that have been set. That is the industry standards. So, there is a big challenge in that area.

Again, with the education area, because formerly Ghana was not offering CBT, that is competency-based training, most of our programmes were more theoretical. They did more of the theory than more of the creative areas. You will get to meet someone who has masters in design or Bachelor of Arts fashion design yet cannot really make a lot of the things in the area of the practical. I mean they can't really design and so very well because they were introduced to more of the philosophical aspect of the programmes that they studied and the theoretical were more. So that is a very very big challenge and currently, as we speak, we are trying to recruit people to merit BTEC, that is bachelor in fashion design technology. And we are having a lot of issues because most of the people who even have the Bachelor of Science in fashion design cannot really perform when it comes to the creative area; when it comes to the practical. So, when they come, and you try them, you realise that you need to retrain them before you can even employ them. So, this is also a big challenge when it comes to our area of business, that is the fashion design business in Ghana because the schools that were set up were more theory than practical. But now it is changing, currently, I am told, and I read the news, that the current president is trying to separate vocational technical training institutions. He is trying to get a new framework and also a new director that will be over vocational and technical training institutions and they are making sure that vocational and technical training institutions are well equipped, and they have people who have that level of competence to be able to train and I have seen that they are trying to put things together, but it takes always some time. They will put the paperwork so beautifully together, but the implementation becomes an issue. Then by then if they are not able to implement it in their first 4 years and another government comes, you realise that that thing suffers, and it doesn't go on. So, we are hoping that this current government that has sent the way from the TVET institutions and also how TVET can impact our economy, we are hoping that they will move swiftly to be able to implement the TVET qualification framework and the other things they need to do to make us get qualified students that can also become businesses.

5. *What is the situation like concerning contracts and agreements?*
- a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

There are challenges when it comes to that area. Most people in Ghana are not aware of the consequences of breaching a contract. Most are naïve when it comes to the laws and again because of our court system most people are also reluctant to pursue cases at the court because of the perception they have about the system. This affects how they adhere to the laws because they know that people are reluctant to go to court. People are even afraid to go to court. Education in the area of, I mean, contracts and their laws and all of that, say if you breach a contract what happens to you, most people don't know it. So, it becomes a very big challenge for people to adhere to contracts. Even in the area of employment, people can just leave you and you just don't hear from them again, you don't even know where they are, and you may not even get to know where they are. Again, when it comes to people you have done a contract with, you have forwarded for them to also do their part, there is a breach and looking at the court system in Africa and in Ghana, the law takes you so much time. You go through a lot of procedures with the police and the process does not make people want to be sincere when it comes to contracts because they know after all the systems in place are not very strong. Those who are in charge of the systems are not also very strong to make sure that the system becomes strong. So, therefore, people don't care if they breach a contract. But I think now, the current youth that are coming up, again I will say social media, there are more lawyers who have their page on social media educating people. Now access to information as to what it means to draft a contract is also easier to find. More education, not only on radio or TV but is on social media as well. And because now more people are seeing education as a means to transform our economy, more people will at least, at least have a senior high school level education, at least! In Ghana that is what I see. It has not come to a level where more people want to get a first degree. More of the percentage want to get a senior high school level education. I think I can even say 80%. It is only about a little about 40% that want to have a first degree and that is my personal view. So, because of that, I think education is improving and now the government making senior high school education free in some way will help.

So basically, that is what makes agreement in Ghana I think not adhered to because people are not aware of the consequences and again institutions that must help when you take your

case to them are not encouraging. Because in Ghana they build stronger people instead of stronger systems. So that is it for that aspect.

6. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

I think with us, there are plans, people like us we call SDF, that is skill development fund and is unfortunate that if you apply it doesn't matter how many times your proposal is fit, if you don't have people inside that will be push and lobby for you and if you don't use their consultants who know the way out into them, you can never access the fund. So, it cuts across when you are putting, for example, we have the entrepreneurial support fund or what have you which I mean, all of this is supposed to support us as entrepreneurs. But unfortunately, if you are not wearing party colours, you see, you can't get access to such things. You see, turning everything into politics is also a big thing that in our part it can never change. There is a supporting this thing with the Ghana trade industry, the ministry of trade and industry, again if you are not wearing party colours you won't get it. And it applies to both parties, it is not like just New Patriotic Party or National Democratic Congress, it applies to both of them. And all these things make it difficult for us and these are things that if you are not involved in the business you would not know. Or if you have not applied for them before you will not know. We have applied for such things severally but all to no avail. They will just send you a mail that your application did not go through and later you find that somebody that is not up to you level when it comes to your delivery, your competence, you everything, the contract or the bid or assistance or what have you they got it. One very good example is about 6 years ago. We had the opportunity of training people who were in our municipality.

We were called upon that our school has been selected. Later they gave that bid to someone who was not in our municipality, the person was in Tema, and I'm in the municipality. But I didn't get it. So again, it comes back to this, bringing politics into everything, I mean is a big issue in Ghana now.

## SECTION E-INFLUENCE OF EXTERNAL FACTORS

- 1. What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

I think the general issue of having access roads to our various companies that are motorable. Again, the flooding issue in Ghana. Road access to companies like us is a problem. We don't have money to build our own roads. You know, these places are not very motorable and you don't have the money to build your own road and is a key thing that affects most small-scale companies. Because these people that are not reachable due to poor road systems are business opportunities going untapped. Again, the problem with the flooding that happens in Accra especially in our municipality, it is a flood-prone area just because there is no drainage. We have bad drainage systems and I think almost everywhere in Accra most small-scale medium scale companies suffer when it rains. Some of them get their machines being washed away. Some of their materials are destroyed, and there is no support system anywhere to even assist you for you to stand on your toes. So, it's something that is outside our business, but it's really something that is affecting us and many other businesses. Infect all small-scale businesses in Accra suffer from this same problem. When it comes to large-scale businesses, they can build their own roads, they can do their own drainages, they can look after themselves. But for us, these outside factors are key. We hope that there will be a way out some of these issues flood issue especially in our municipality and Accra as well

## SECTION F-COMMENTS FROM PARTICIPANTS

- 1. Is there any other topic or issue you deem relevant that was left out?*

Nothing I can think of



## INTERVIEW WITH BUSINESS M

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

XXXX is a fintech and we provide innovative technological platforms for financial institutions and businesses to facilitate their operations and help them deliver their service to customers. Our services are developed by us, but we have other services that we partner with other businesses to deliver. So, our business model is to develop and deliver financial technology products for our clients. But is the basic business model. But we also have our own already made product, that is XXXX, and others like, XXXX and XXXX that we try to get other people and businesses to use.

**Customer segment, Value proposition & Revenue:** Our main customers are businesses, financial institution as and merchants. The value proposition we give our clients is to provide them with technology solutions for their businesses. We have a payment facilitation app, enterprise software suite and a bulk text messages service. Businesses provide a lot of services to their customers and the job is to make their work easier and enhance customer experience by leveraging innovative technologies. Our main sources of revenue are when we sell any of our tech products and also from services we render to clients after-sales. **Key activities, Channel, Customer relationship:** The key processes in our business is to create and code and develop software's because without that there are no businesses for us. that is our core service and we need to ensure that.

**Key partners:** We do have partners, but we don't have any sort of strategic partner that without them we can't function as a business. No. all our partners are people who need us in as much as we need them. For most of them actually, we help them more because we help them to bring their services to Ghana through us.

**Cost:** The main cost of the business is salaries, cost of utility bills, premises cost, and overheads just like every business. But the main cost that worries us a lot is the utility bills especially electricity because of all this power rationing that is going on and you know the nature of our jobs, we need electricity to be able to work as without it we can't do anything.



So, we spend a lot of electricity and generators too, when the lights go off since we need that electricity to work on our computers and stuff.

**Key resources:** All I can say about that is our people. The rest we don't want to put out there. What makes us unique from others is that we have a very good marketing and sales team who are able to bring in business. You know there is a lot of competition these days in the fintech industry, so you need the best in sale in order to win businesses. Also, our products are innovative and very simple to use even by the layman. Another thing I think is because our products integrate across several platforms and that is rarer. Most competitors are now catching up on that whereas we have been doing it for a long time.

## SECTION B-The past way(s) doing business in the past.

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

The way we are doing business now is pretty much the same as it has been from day one. It is the number of staffs that have changed. when we started it was 5 of us straight out of graduate school trying to do something for ourselves with a business we really believed. You look at us today and we are still the same business. We have grown in staff size, the number of clients, the number of products and the complications in the business have multiplied and increase in so many ways but we are essentially the same business if you look at us well

## SECTION C-Change(s) that have taken place in the way of doing business and context.

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a.*  
*Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

It is difficult to answer this one because I can look at it one way and say we have not changed at all as a business, but we have grown in size; right? Or I can also look at it another way and say we have changed. But this change will be in terms of size mainly. So,

I will say we have changed but I can't put a number on it because it depends on how you look at it. Essentially, we are the same business but meanwhile, we have changed in several ways.

Like I was saying things operate the same way, but we have changed too. For instance, the number of people in the business has changed but yet it is the same task being done by many people, you get it? Whereas we had 5 app developer, now we have said 5 to 10 people doing it. Whereas we had one office with all of us inside now we have these two big rooms, a reception and even an open area that we have rented out. But in the past, we were all managing one small office. Whereas in the past we just developed applications and provided solutions now our services are more streamlined, we have our own app, and we even have agreements with other firms whom we sell integrate our products with and sell. So, the basics are just the same, it hasn't changed, but the scale at which it is being done is what has changed over the years. You get it?

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

We have a management team, so their job is always to look at what is going to affect our business and then bring it to the attention of the rest of us. I do same, the others do the same too. It is our responsibility, all of us. Plus, we encourage ideas from our staff too. So, whenever anything comes up from any of us, management considers it and then it is a good idea we implement it. If not, then we let it go

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*
  - a. *How do you go about making changes?*

Like I was saying, if an idea comes up, management discusses it and deliberate on it. If it is good, we then look into it closely and see what can be done to execute the change. We look into whether it is going to benefit the business or not, whether is it going to be a change where if we implement it, we are going to still be in line with our long-term vision. Basically,

we research around it and deliberate on it deeply before we go on with it. If we settle on a satisfactory decision and we are convincing the management votes on it and then we execute.

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*

a. *How do you overcome these challenges?*

The leadership of the company I will say. It was 5 of us that started the business straight after our master's degree and all 5 of us are still in the business. So that is really helpful. You know why? Because there is understanding and unity in the direction we want to go. We understand each other and the vision so we know precisely what we are doing and where we want to go. That is the main thing. We have each other back and so every time we are trying to win together. That enabled us to make all these changes. And the team and kind of staff that we have. You know all the work is not being done by us. we have an amazing team and some brilliant young guys who really know their stuff and they all work hard to support the vision

5. *When you have made changes to your way of doing business, how did you assess the results?*

We know the vision so when we steer off it, we know. So how closer we are getting to our vision or how further we are deviating from it is how we tell. Also, you know customer adoption of our products; that is, when more people sign up unto our app then we can tell we are doing well too. The last thing which I believe you are surely aware of is money. At the end of the day, we need to be able to make money and sustain ourselves as a business and also pay our workers. So that is it

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

The environment we find ourselves in is one that there so many problems that make it difficult for businesses like us. The level of education, not even formal education, but the

level of knowledge about technology products is low so it makes it hard spreading products and getting people to really know and understand what you are offering.

Also, in Ghana you know we lack certain things, like no address systems, less online trading and people buying into and trusting electronic payments. So that makes it quite tough too. Because these are impediments that in your way and are hindering you as a business but there is little to nothing that you can do about it. So, you just have to find your own solutions and ways around it, but this is not always easy.

Also, there is competition. You know there are some strong competitors out there who do exactly the same thing we do and so that makes things hard too when you are making changes because they are also going all out to beat you with their products. Another thing is the banks and financial institutions. You see, we are financial technology providers and we are there to provide financial technology to financial institutions. It is our main mandate. But, some of the financial institutions are beginning to develop their own financial applications, and the more they do the lesser our relevance. So, that has forced us to be innovative and introduced other products just to keep the money coming in. First, some of these financial institutions will get us to develop their payment integration software for them but now they do it themselves or they want to buy our solutions and make it their own, thus not really needing us anymore. So, all these affected us in making the changes because adds to the complexity of things.

7. *What will you say are the external factors outside your business that impacted you the most and why?*

It has to do with some of the things in the Ghanaian business environment like I was just telling you a while back. People's attitudes towards electronic payments and the trust they have in such systems, how banks and some financial institution — especially the big ones — now prefer to execute their own fintech projects and the lack of address systems and a thorough database on people in the country thus making it difficult for fintech apps to spread.

**SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

2. *What are the regulations your business is expected to follow? Tell me about them*
  - a. *Has it always been like this?*
  - b. *How was it like in the past compared to now?*
  - c. *What have been the changes?*
  - d. *Do you see this changing in the future?*

Unlike in some countries where the fintech's are regulated it is not so in Ghana. But there are general laws that we have to adhere. Especially as we deal with the financial institutions. All the same, laws that businesses have to adhere to.

3. *Tell me about the market you are in. What has it been like in the past compared to now?*
  - a. *What has it been like in the past compared to now?*
  - b. *What has been the major changes?*
  - c. *Do you see it changing?*
  - d. *How do you get information about the market?*
  - e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*
  - f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

Research. Just that, research. We send our people out there where necessary and we conduct our own online research. As a technology company research, come on, research and getting information is not a problem for us.

4. *What is the situation like on getting extra capital?*
  - a. *Has it always been like this? How was it like back then?*
  - b. *What have the major changes been?*
  - c. *Do you see things changing?*

In Ghana, this is quite hard in general but for us, we have not hard to go look for capital. We have won some awards and grants which has given us huge sums of money to invest in our business, so we have not had to go out looking for capital. But its Ghana, looking for capital for your business is very hard that I can say.

5. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

This is not a problem for us. the current levels of unemployment in Ghana makes this easier for us.

6. *What is the situation like concerning contracts and agreements?*
  - a. *Do you face any challenges in getting them adhered to by yourself or others?*
  - b. *Is this how things have always been? How was it in the past?*
  - c. *Do you see this changing in the future?*

You know when you are dealing with people you will have some slight issues and about adherence here and there but overall, I can say our experience on this has been good. Contracts are generally adhered to. What I can say is that if you always hold up to your end of the bargain then people and businesses for that matter will generally adhere to whatever terms and agreements you establish with them

7. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

I don't know of any

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

- 1. What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

Nothing comes to mind at the present moment

## **SECTION F-COMMENTS FROM PARTICIPANTS**

- 1. Is there any other topic or issue you deem relevant that was left out?*

No comment. Any other information that you may need, or I missed out you can check our website for more

## INTERVIEW WITH BUSINESS N

### SECTION A-The Present way(s) of doing business now.

1. *Tell me about your business?*
  - a. *What benefits or value do you give your customer(s)?*
  - b. *How do you ensure you make profit?*
  - c. *What makes your way business unique from that of your competitors?*

N is an agribusiness that has been in existence for 12 years and is based in the northern part of Ghana. The company have their head office in Tamale in the Northern Region but have three more branches in other parts of the country (Brong-Ahafo and Volta). The company's key objective is to provide a market for farmers, so they aggregate the smaller volumes of the smallholder farmers and make it attractive for larger buyers. To be able to do that the company has done both downstream and upstream investments to be able to attain the kind of quality their buyers want and also to be able to get kind of quality they want from their suppliers.

**Key activities:** So, we try to provide the farmers to quality inputs, high yielding seeds, access to mechanisation services, access to harvesting services. And then, more importantly, access to technical and extension services to be able to increase yields. And we come in to provide the market for those yields that they have harvested to make sure that they have a ready market, so they can translate their produce into cash to increase their household income levels. So, I can say procurement, warehousing, processing and packaging, supplying will about the main activities that are very key. But all aspects of the operation are key if you look at us holistically.

The business is fairly organised with formal organisational structures, clear job roles and job descriptions. Although most parts of their operations have been mechanized the company relies extensively on a lot of casual staff most of the agriculturally based businesses in Ghana are still manpower dependent. In terms of operations, I have 2 guys under me who are in charge of operations (operations manager and assistant) and I have another 10 guys who are all supervisors and then the rest are technical officers on the field who have a background in extension services. And under the 10 we have field officers under them who supervise 2-3 front line staff.



**Key resources:** tractors, vehicles, warehouse, and other heavy-duty equipment for farming. So, it's a lot.

**Revenue:** In 2013 our annual turnover was about \$1.9 million; 2014 about \$4.9 million; 2015 we were about \$11million; 2016 about \$25million;2017 about \$33 million and this year,2018, we project to go to about \$54million and all this is pure from sales. The sales we make by selling our products (i.e. is the maize, rice, soya bean and groundnut). So, basically, we mobilize the products from the farmers and sell to the factories and the difference between our cost for mobilizing and how much we are able to sell constitute our revenue.

**Key partners:** As for partners we have a lot of partners and when I mention partners, I'm talking about those who support our end buyers. But in terms of technical support partners, we have partners who work in the village where some of the holder farmers are based and are in the market development areas of the business.

**Customer segment:** We sell to local buyers like XXXX, it is the biggest rice mill in the subregion.

**Value proposition:** We sell maize, rice, soya bean, and groundnut and as I mentioned the main value proposition is that we sell in bulk to our customers rather than them having to go to the various smallholder farmers to buy these products themselves. The main value in regard to the buyers is many. One is less time and consistent supply of products. For example, if they have to go a number of times to search for the raw materials to feed their factories, they will face loss time and chances of not having consistent supplies. So, that loss of time and the consistent supply we give them we take off that kind of burden and enable them to be in a position where they can plan their production. By providing continued materials at the quality at the level they need. So that is the first value we provide to them. The second value is that we provide them delivery at their doorstep where they don't have to bother themselves on transportation of their raw material. So, we take that burden. Then the other value is search time. If they lose supply or don't have it, they have to search for others to supply them what they need. So, we help them by solving that problem for them, so they don't waste time searching. So, the cost of that search time and the time itself it will take them to find a supply. And then more important is we are able to give them 14-90 days credit. We plan our cashflow to be able to make this possible. We plan our cashflow and when we have deliveries and what time we can do what and how it will affect us. This takes them off the burden of going for a loan with higher interest to pay. So those are the critical benefits.

More importantly because of the market in the north consistency in supply makes them able to plan their production schedule which will save them a lot of money and a lot of costs **Cost:** The main cost is inputs. Inputs to the farmers, the ones that we are providing to the farmers. We own about 1000 acres of the farms but most others we don't own them. So, these ones we give them inputs to run their farms and that constitute the major costs to our business. Rice, soya and maize are the ones we provide inputs for.

So, the main costs are the inputs we buy and supply to the farmers and the cost of the produce we buy from the farmers themselves serves as a cost. And then the other cost also has to do with transports and then data costs, staff cost, monitoring costs and then management costs

**Channel:** We do minimum exports, that is we do export on some occasions.

Customer relationship: We speak to all those we do business with and try to maintain good relations with them.

As for our main competitors are XXXX, XXXX and we also have XXXX and a number of small small ones, but these are the major competitors. Our efforts and consistency of delivering volumes consistently for our customers at the required quality parameters are needed. This is something that some competitors are not able to do. And then also our ability to negotiate a good market with the farmers. then providing reliability and trust. If the customers depend on us to deliver consistently at the agreed prices in the contract, we are always able to deliver our side of the contracts no matter what happens and no matter the changes to the market. So, the capacity to do all this is very key to the way we do.

## **SECTION B-The past way(s) doing business in the past.**

1. *Is this how your business has always operated? If not:*
  - d. *How different was your way of doing in the past compared to now?*
  - e. *Can you explain how things were in the past? Any examples?*

We started with a small number that is about 50 farmers doing approximately 20 acres in 2012. And then we intensified our aggregation in 2012 but the main issues were that we were not getting the volume we were after and then where the volume was there the quality was not up to what the market wants. So, we realised that there was a gap between the downstream and the upstream. So, we offered to work on that gap and also the farmers also not able to produce the quality the end market needs. So, we decided to look into these things.

Then a key thing that struck us was that the farmers have their farms as their key business and want those farms to be profitable and sustainable. So, we decided to concentrate on helping their capacities and also the ability of the smallholders to produce. So, we kept doing this and then we started increasing then number s and also working with the end market and then providing that kind of service and consistency and that has worked for us for the better. But it's become part of our integrity and then commitment to what we do.

I started with one employee and even that he was not even employed he was just supporting. My background is in economics management and policy. I don't have any agricultural background in the form of studies. But my own mum was a farmer, I was born in a farm and I worked with a business called XXXX as their microfinance expert for the sub-region and they were providing the technical component and finance that was required by smaller businesses. So, I was their market finance and technical person, so I moved around. Then a lot of the people I worked, a lot of the customers, the partners, and farmers, and then I realised that the microfinance itself is there to provide money, but they are not able to provide the kind of necessary inputs that the farmers need and the level of money that they the farmers need to become more productive. So, the challenge there was for me to understand the agronomics and the agronomic components of the production and the hazard technicalities in agriculture and a whole other key area in there.

That is about it. I started and had someone helping me and then we added more people over time.

## SECTION C-Change(s) that have taken place in the way of doing business and context.

1. *On a scale of 1-7(1 being the lowest and 7 being the highest), how has your way of doing business now changed, compared to how it was 5-8 years back? a.*

*Can you highlight what the key change(s) has been?*

Degree of change	Not at all	A little	Moderate	A lot	Completely
	1	2	3	4	5

In terms of operations and turn over it has changed a lot; we are even more than 5. But in terms of where we are going, that is where we are in the middle.

Key are among the changes, I think that is the operational ones. We started with 50 farmers, grew to about 1000 farmers and this year we are trying to reach about 10,000 farmers. So,

all this is a series of changes within 4 years. It also goes with not just financial resources but with human and managerial resources. we make sure that we are delivering more value and so that is why we have changed this way looking at the human resources needs of the company and addressing the challenges of the human resource issues to support our clients. Also, as we are expanding, one of the things we look at is finances. We have ore finances wanting to come on board, but we don't have the finances that will help us do this and gain more opportunities.

2. *What caused these changes and how do you know these are the causes.*
  - a. *When do you get to the point where you say you are going to make changes to your way of doing business? Any examples?*

When things change or go wrong with the business you will realize that not everything is going according to plan and we know this based on how business operations are running; whether things are running well or not.

Whenever it is necessary. If change is necessary, we implement a change if not then we keep on with what we are doing

3. *When you identify reasons to change your way of doing business what is usually the next step after that?*
  - a. *How do you go about making changes?*

We implement it. When we know what must be done, we just do it. I let everyone know their roles and what they have to do to make things happen and then we execute. If we need more hands, then we will employ and make up for the shortfall if not those of us that are already here will see to it and execute

4. *What are some of the challenges you have faced in the past when making changes to your way of doing business?*
  - a. *How do you overcome these challenges?*

Key among it is about planning and strategizing. What I believe is that normally you have factors that are with you, you can control and those that you cannot control. So, you try to manage what you can control to mitigate what you cannot control. And then we try to motivate our staff to be able to put up their best. That is what has helped us get this far and

also a lot of the staff too sacrificed. Teamwork and also a can-do spirit has helped us. You see, most of it was the experience for us to learn from. We didn't dismiss them at all.

5. *When you have made changes to your way of doing business, how did you assess the results?*

Revenue and customer feedback

6. *When making all these changes to the way you do business, how would you say your context/surroundings and things outside your business affected you?*

The local environment provides two different opportunities. One, the challenges are opportunities and then businesses that will make us grow. But we do try to strategically position ourselves in a way that those challenges we maximize the opportunities that are there to make our business grow. We also look in the environment for those challenges that are posed then we try to also look at it critically and then those that we cannot use them as opportunities, we try to see how we avoid them or minimize them or mitigate them; the risk, and then move ahead. But then generally the environment is a tough one, but we get tough. And apart from that, we believe that we can do it and it is we Ghanaians that can do it. Nobody can come from anywhere and do it for us. So that gives us hope

7. *What will you say are the external factors outside your business that impacted you the most and why?*

Similar to what I have just spoken of in question 6 under section C

#### **SECTION D-Institutional context of the past and the changes that have happened in the institutional context**

Tell me more about the context/surroundings in which your business operates in (institutional voids):

2. *What are the regulations your business is expected to follow? Tell me about them*
- Has it always been like this?*
  - How was it like in the past compared to now?*
  - What have been the changes?*

d. *Do you see this changing in the future?*

We have a number of regulations that we need to follow. We have standards, especially if you want your goods to go beyond the shores of Ghana there are quality standards and benchmarks that you have to achieve. And then also the practices that at the farmer level and also the business level, there are practices that we have to ensure and maintain that environmentally it is sustainable. And also, we make sure that there is zero-tolerance for corruption and the money laundry and then other crimes. Then apart from that we also ensure that we follow the business regime environment in the country in terms of taxation and everything. So, we try to follow all rules and legal framework and requirements that apply to all our operations.

Some of the business deals you need to get into you need some of these regulations to be able to get into like some of them if your taxes and your standards do not meet certain levels you will not get those contracts and so you need to update them. If you update them, you are able to get the contract that will give you the money so if you avoid them you will not be able to get good results. So, in one way though getting them, the administrative staff and the bureaucracies make it very challenging. However, it is to our own interest e get them because it helps our own business profile wherever we go, and it helps us also in securing good deals.

3. *Tell me about the market you are in. What has it been like in the past compared to now?*

a. *What has it been like in the past compared to now?*

b. *What has been the major changes?*

c. *Do you see it changing?*

d. *How do you get information about the market?*

e. *How do you find out about your consumers/potential consumers and your suppliers/potential suppliers?*

f. *Are there intermediaries support service providers? (e.g. Third-party information providers? Logistics and delivery firms? Product returns?)*

We go to them and get the information. We have the field officers who do that, with the farmers. With the end buyers a number of them when we started, we had to go there and do this proposals and presentations then try to justify why you will be the best option and then why the person that is competing with us is not good. So, a few of them tried with us. off

late more of referrals are the issues. Then in some of them where there is a contract that is advertised, we put in a tender, if we are lucky then we get the job.

The environment is such that a lot of people do not want to spend a lot of money to go to the farmers because that one is not profitable to them. But we need to get that information, it enables us to plan it enables us to understand our customers well and then deliver value to them. The long-run effect of our business is that it makes our value cheaper to them. We don't spend time speculation for it to backfire but then we are able to get the right information and develop the right product and services that will serve the aspirations of the smallholder farmers and that is what makes it.

4. *What is the situation like on getting extra capital?*

a. *Has it always been like this? How was it like back then?*

b. *What have the major changes been?*

c. *Do you see things changing?*

For us, the issue is, you are torn between what is there. It has not been the access to the kind of funding you want but the cost of the funds. The cost of the fund is another big issue. The cost of capital generally in Ghana is very high and that is the challenge. 2012 we took a facility from XXXX and then in 2013 we took another facility from XXXX and then in 2014 from XXXX and then 2016 from XXXX. But we realised that key in developing our business is to ensure that the profit we make we plough back and that will make our growth more sustainable because we are looking at building our asset base and then financial modules. So, if we depend more on borrowed money, we will not be able to build that as fast as possible. So, though we depend on those facilities we would have grown faster than this if we have focused on plough back alone but I'm not sure we would have been where we are. Looking at the cost of capital, maybe it would have eroded even the capital we have if we had used so much of borrowed facilities. A lot of the consultants we have said we are doing well and so we should look at making more of the returns we are getting and then ploughing it back to grow from there. And we have looked at that seriously and it has worked for us. But what we have done mainly is that here we engaged XXXX to build those strategies for us for the next 5 years. So, they did a growth strategy for us and we intend to look at a strategic investor, we are going for a strategic investor who will invest in us and drive the

next 5 years growth because our ambition is little huge. Because our internal plough back will not be able to meet the growth target.

5. *How is it like getting people to employ?*
  - a. *What kind of people do you employ?*
  - b. *Are they trained and educated? What educational level?*
  - c. *Is this how staff employment has always been?*
  - d. *Where has staff employment changed and why? How was it like in the past?*
  - e. *Do you see this changing for your business?*

This is the biggest hell in Ghana. A lot of the guys from the university, even those who say they have the working experience you pick them, they are not able to deliver the results and they just can't match the position you recruit them for. When you look at their CV and all that they say, and you give them the job they just can't deliver anything. In fact, the irony here is that they are also looking for the kind of remuneration of that position. So, it makes it difficult. Hiring somebody and the person has this qualification and then you think the person will click and then the person is zero. It's frustrating because you would have already made your plans and then be thinking that the person will come and then will be able to make this contribution and yet that would not be the case. For example, the strategic roadmap Ernest and Young did for us, we looked at putting X and Y resources here and see, what kind of results will it trigger. So, if I have to employ 5 people and then give them XY resources and it will trigger these results for me, I just look at it. But then you employ and then maybe all the five people do not click. Then the challenge is that actually our universities are failing us or maybe I should say they are not producing what we want. So, I really, I don't know. First, I engaged somebody as operations manager and then, zero. I engaged a lot of supervisors, zero. They all can't perform. But ask right now their qualifications and you will be surprised the CV they will snow you.

And with us, we pay well. So, for instance, with the operations guy, I was giving him GHs 2000. But our operations are result oriented so if the person is able to deliver a certain amount of results that will trigger other benefits beyond his pay scale and get personal allowance for himself. Somebody can take as much as GHs20000 if the person is delivering results.

6. *What is the situation like concerning contracts and agreements?*
  - a. *Do you face any challenges in getting them adhered to by yourself or others?*



- b. *Is this how things have always been? How was it in the past?*
- c. *Do you see this changing in the future?*

With the farmers, because we deal with them in groups the group solidarity is what enforces a number of the contracts. But with the customers some of them, the end buyers, I mean, the credit that we give them, we have a number of them that are defaulting. In some few cases, we have had to institute legal action to recover those monies which are a little challenging because I think it is not always best to go that far. But you need to recover the company's money. So those are the issues that come up but generally, I will say that in terms of the suppliers we have close to 95% recovery annually. And then, the customer end to the end buyers end, the default rate is around 2%.

In future, I'm sure this will change. What I am looking at is putting in more of the robust structures that will reduce, if not eliminate, some of these challenges. That is some of the issues we are working on. So, we are trying to institute some kind of IT system where we have comprehensive information of the farmers, their, location, where they live, and also their yields, where they live and then capture their farmlands on GPS. We are also working with some of the field partners to provide supplementary irrigation where if they are shortfalls of water those farmers can still get good yields. Some of the farmers they default as a result of crop failure, so we are working with the crop insurance to make sure that some essential number of farmers enrol on that insurance so that in case of crop failure it doesn't end up in total failure on our side.

7. *What are some of the cultural norms, actions and behaviours everyone in your industry accepts as normal?*
  - a. *Which ones will no one communicate to you, but you will be expected to know?*
  - b. *What are some of the way of doing things in your industry that a newcomer will not know?*
  - c. *Most industries have accepted ways of doing things that you only discover after being in that industry for a while. What are some of them in your particular industry?*
  - d. *Is this how things have always been in the past?*
  - e. *Do you see some of the accepted norms mentioned in a, b & c changing in the future?*

In every industry, you find the trick and all sorts like this but what we have tried to do is that when we get a contract, we use our experience and then our knowledge of the market to do the tender, if we win fine if we don't win fine. But the key in the issue is that you must make sure that all your legal requirement and documentation as correct but if you are not in the system you will not know that if your legal documentations are not correct, they are the first things that should be looked at. So, you will submit your tender and think that it's okay I have submitted my tender and then you will realise that maybe your price is very good, but you didn't renew may be a particular legal requirement at the right time and that will end up disqualifying you. And then also what we call the tax return or SNNIT return too if you don't submit at the right time it will disqualify you, especially with government project. But the issue is that in our case what we do in our business is that we don't influence the acquisition of the deal prior to the contract. But when the contract has been awarded to us our job is to deliver the actual, specification on the contract because that is key. One we need to keep our head above the water in the days of challenges so the only thing that we can't do that will deliver the specification of the contract we have signed. Two, if we realise that in the contract we have done if we have made some savings then we can share it with our contractors and that one we call it business appreciation. But that is not mandatory for us we do it from our own free will.

## **SECTION E-INFLUENCE OF EXTERNAL FACTORS**

- 1. What will you say are the external factors outside your business that impacted you the most that have not been discussed and why?*

Key is the government policies. Government policies, mainly, depending on which government is there. And because of that, this has a lot of effects on the agricultural sector. I have a challenge, government subsidizing fertilizer, and the key issue is that farming is a business and people investing in farming must realize that the full cost of farming must be taken care of. And then if the government continue to subsidize fertilizer for people it will not trigger that kind of big guys putting money into the agricultural sector to generate that kind of growth that the agricultural sector needs. And I also say that fertilizer in itself if government pulls out its hand from fertilizer competition could push the price down. But because government continues to subsidize, importers and suppliers continue to hold on to government and continue to increase prices every year. For example, last year the retail price was different from that of this year and I don't see what has changed because the cedi has not changed that much but the prices have changed. But because governments hand is in it and they negotiate at the governments end that's why. But if the fertilizer company each one brings their fertilizer and the farmers determine each one, they will buy and at what price, they will improve their quality and they will improve upon their prices. It is just like the Telecom firms when they started the price was high but when competition was opened the prices come down that you could even get a SIM for free. If the government wants to provide subsidy they should be targeted. But blanket subsidies, that is given to suppliers is just given Ghana's money to outsiders. So, the policies around subsidies are something that affects us but are beyond us. For instance, last year apart from the subsidy government was given the fertilizers at half subsidize prices and half of the subsidized price was to farmers. And then there is not plan for recovery and a lot of the farmers have taken these subsidies, benefited and then have defaulted. So, businesses like us working with them they think that that is the same government initiative and thus they want to default. So, they create inconsistencies in the agricultural market front and then it creates a lot of difficulties. But by and large, we have been able to work around that to let the farmer understand that our business is our business and that the way we do our business is that we are looking at developing their business while we also develop our business. and then if they develop their business, they will be better off. So those are the key issues that keep us in business.

When foreigners come into the country and they need facilities they just go to the banks and then the banks too will give them the facilities, very fast, they won't even ask for their assets. But when Ghanaians go to the bank, they will ask you for three times your assets or three times the value of the money you are going to take and apart from that, they will still charge

you the risk cost. So, I think that the government should look at financial institutions especially Bank of Ghana. Looking at those risks the pricing of the funds is always higher for businesses like agricultural businesses which has a longer gestation period than commerce. So, you look at those ones and then you look at the pricing but those are the things that most of the investments and initiatives do not look at. But I was happy with the new formula of the common fund that says that about some percentage should go to agricultural investment and if that should happen agricultural activity at the grass-root level will go up. But government needs to take its hand off fertilizer subsidy and do target subsidy and rather not total subsidy like that. And I believe, when they do that competition could bring fertilizer as low as GHs 50.

You see? Because the government pays directly to the fertilizer companies and not the farmers, and so that won't motivate them. They just bag anything and then bring it out and say it is fertilizer and thus they go for their money. So those are some of the policies that the government should revisit. And then the other policies also I look at is government should not involve itself in production, like giving inputs to farmers. What I think government should do is all those monies, they should put it in the bank, lower the risk and cost of borrowing the money and interest rate and then make it more accessible for businesses. Go take these facilities, work and payback. And that is how our country can grow. The real business people will come out and then revolutionize the country.

And these problems have been in existence since ages and I don't see it changing because consistently government is always playing the leading role. But I have seen some signs from some businesses and investors going into production and also a number of organised social groups coming out and speaking against it, so we hope that some positive changes will emerge.

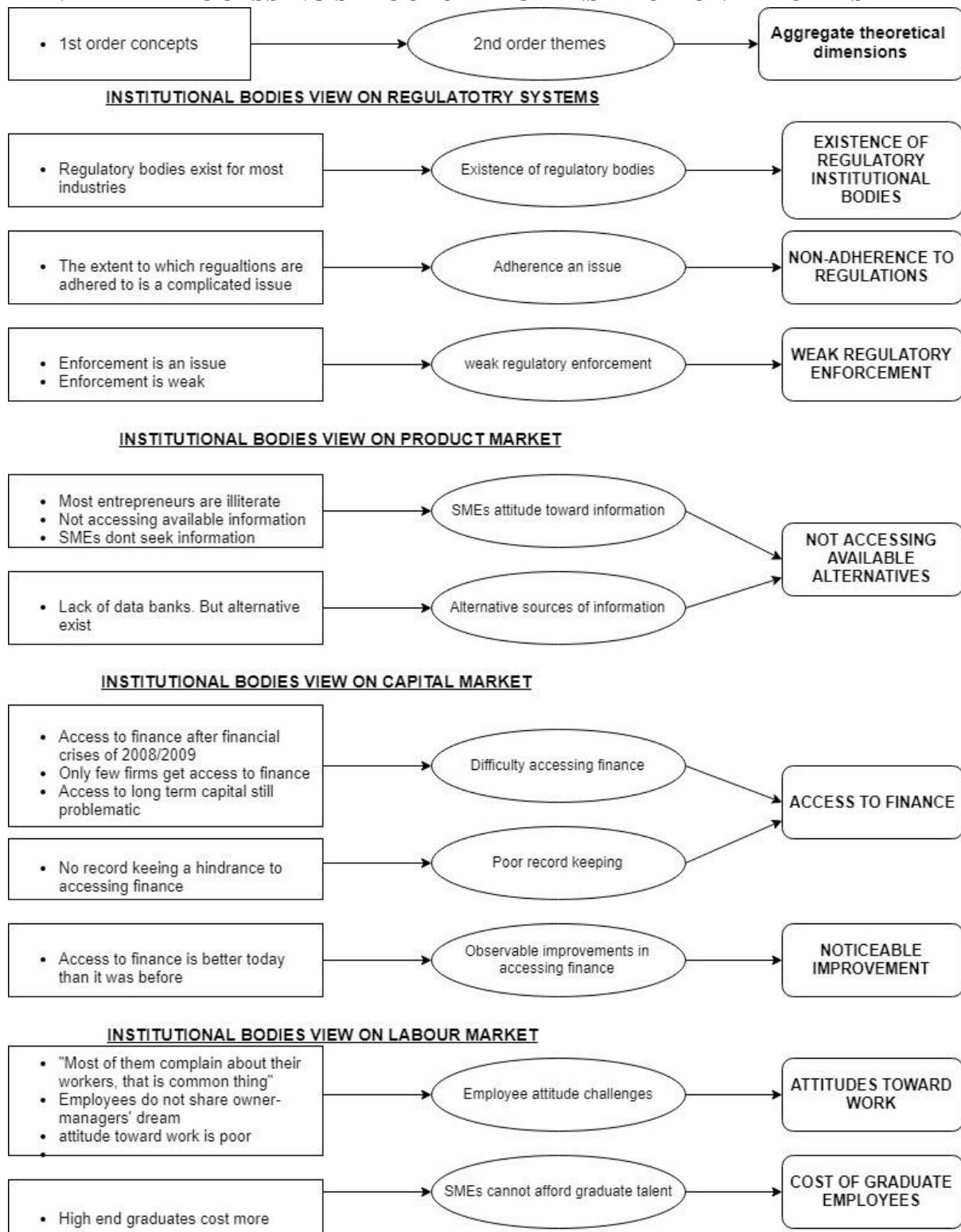
## **SECTION F-COMMENTS FROM PARTICIPANTS**

### *1. Is there any other topic or issue you deem relevant that was left out?*

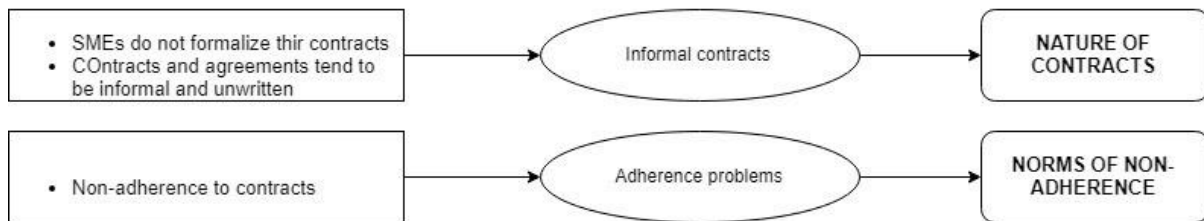
For businesses in Ghana as I alluded to earlier on it has to do with two key issues, human resources and then finances. Human resources, what are the calibre of graduates that are turning out from our universities. And then also financial resources, what is the commitment of government and international partners in providing that kind of support to small businesses to grow to become big businesses and not only playing around small or dancing around the issues but providing that kind of real support that will transform these businesses. and I believe that these small businesses a lot of them are conglomerates in themselves that they need somebody to support them to come up.

## APPENDIX H: DATA PROCESSING STRUCTURE FROM DATA ANALYSIS

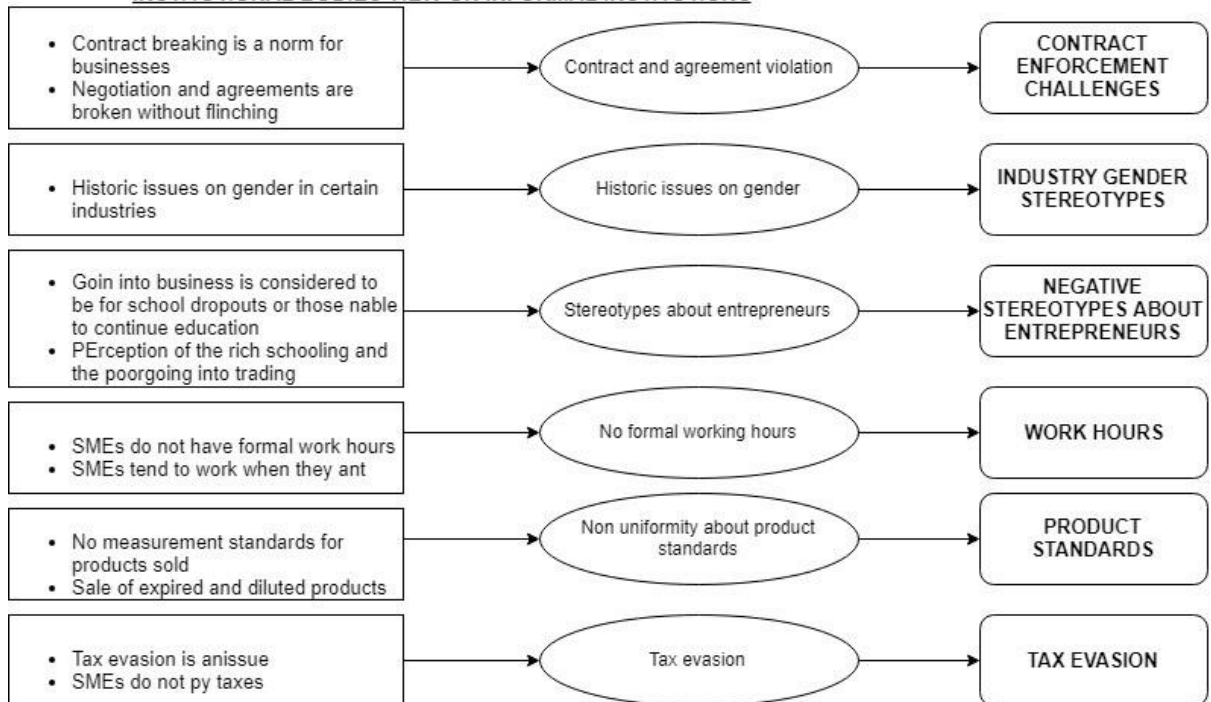
### 1. DATA PROCESSING STRUCTURE FOR INSTITUTIONAL BODIES DATA



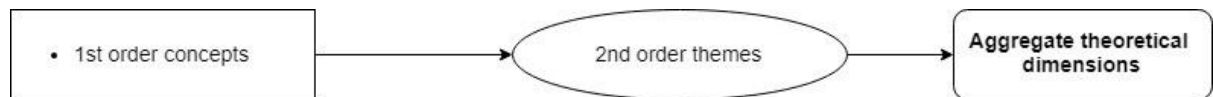
### INSTITUTIONAL BODIES VIEW ON CONTRACT ENFORCEMENT MECHANISMS



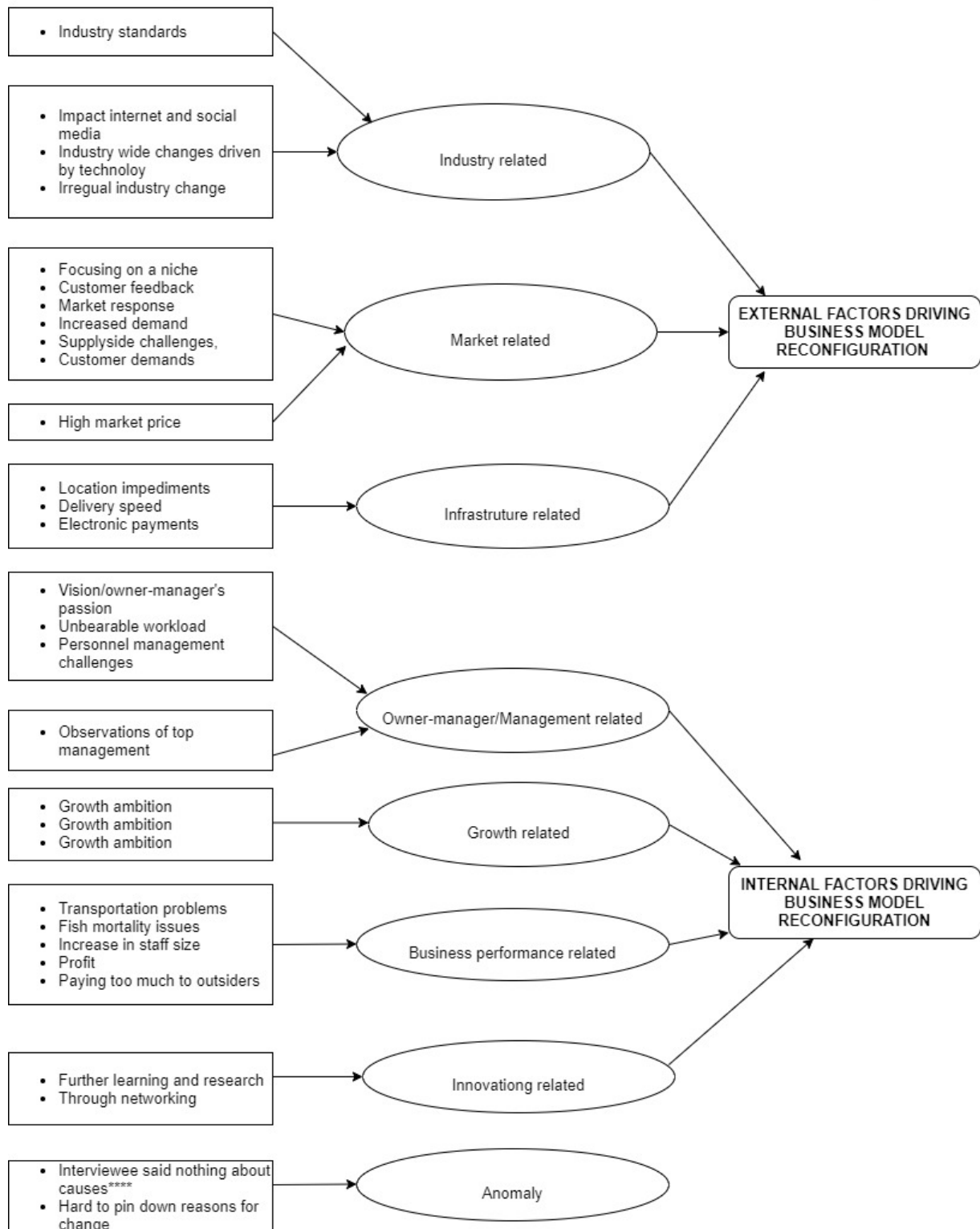
### INSTITUTIONAL BODIES VIEW ON INFORMAL INSTITUTIONS



## 2. DATA PROCESSING STRUCTURE CROSS-CASE ANALYSIS OF SMEs DATA

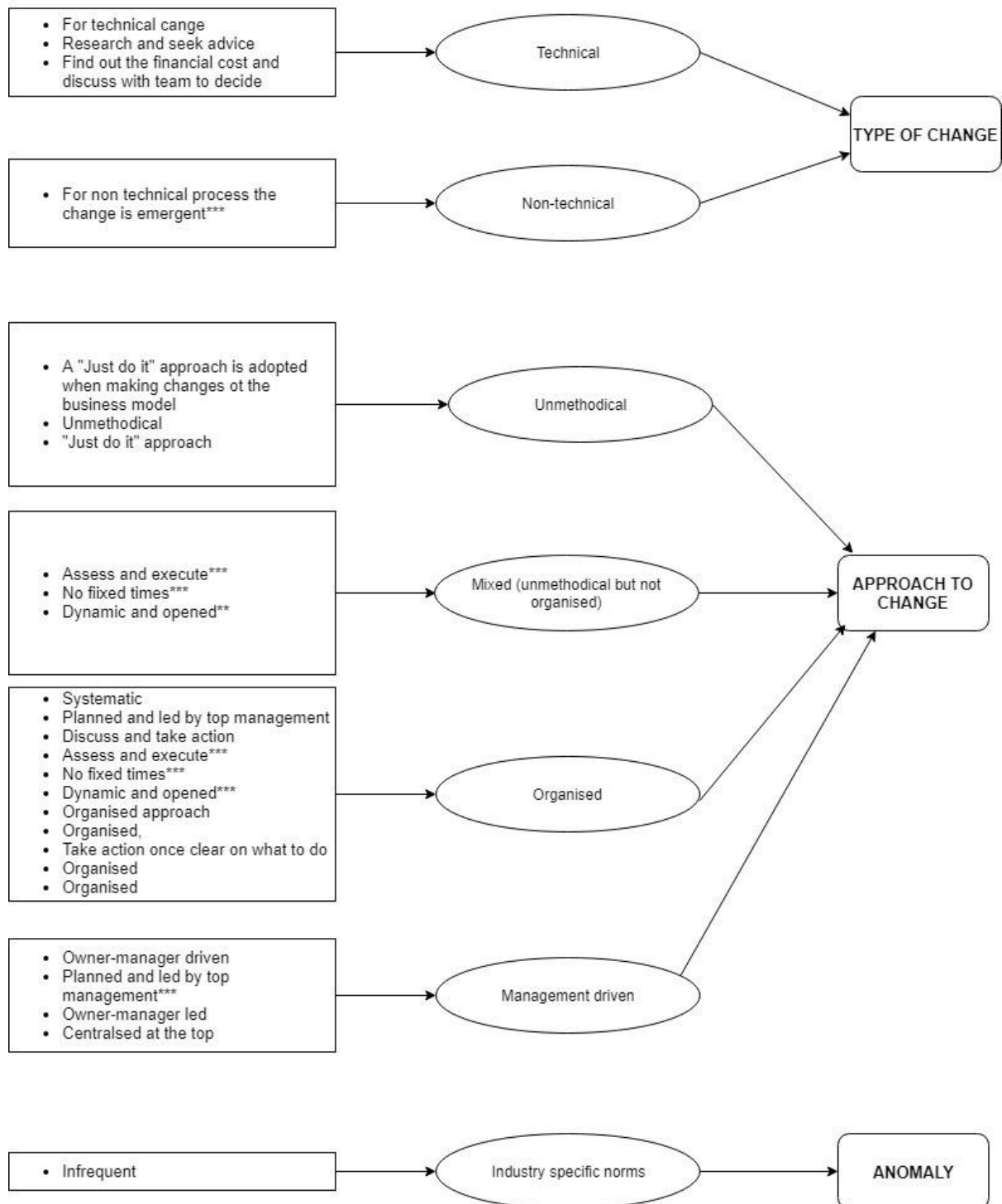


### RESEARCH OBJECTIVE 1: FACTORS DRIVING BUSINESS MODEL RECONFIGURATION

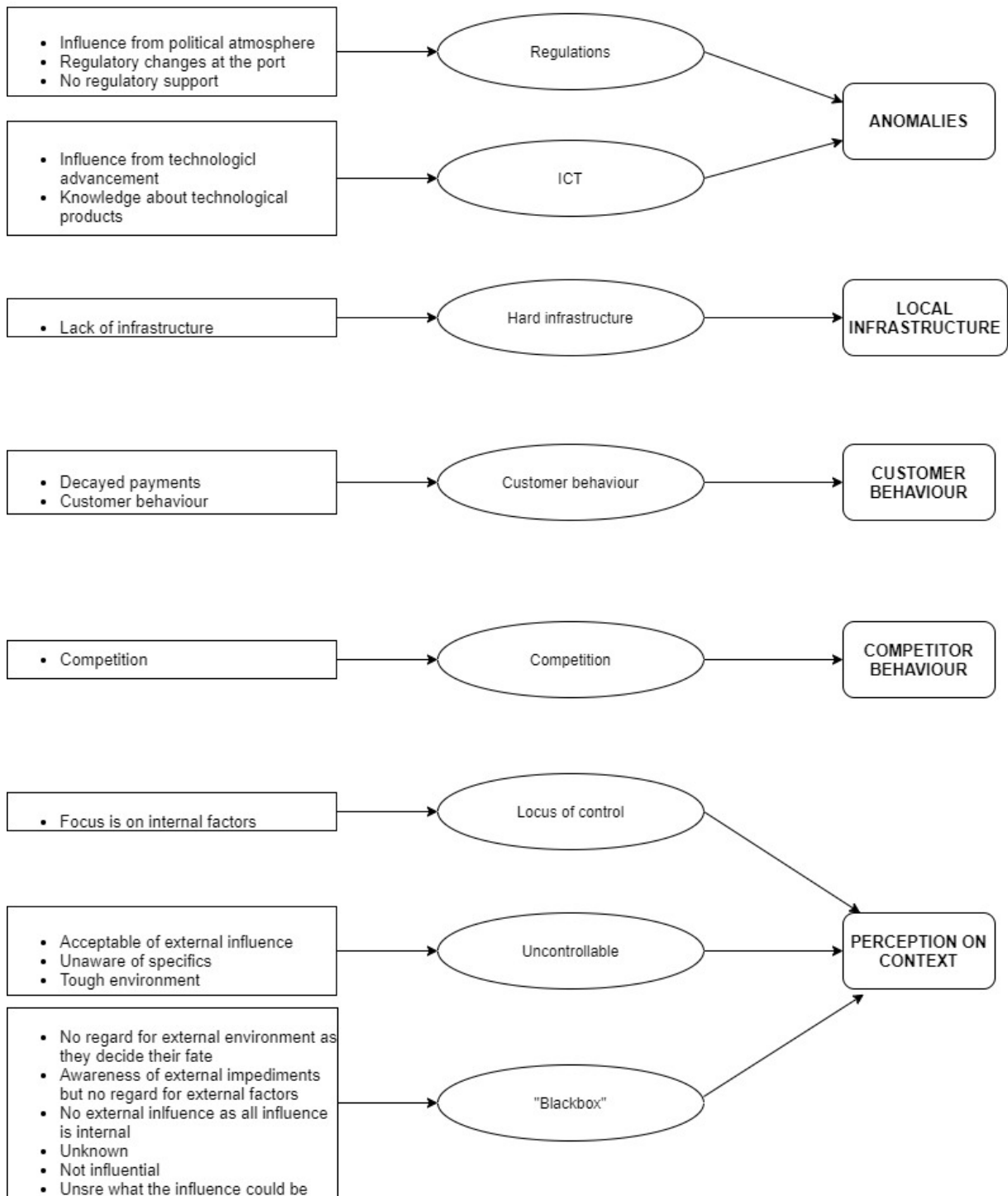




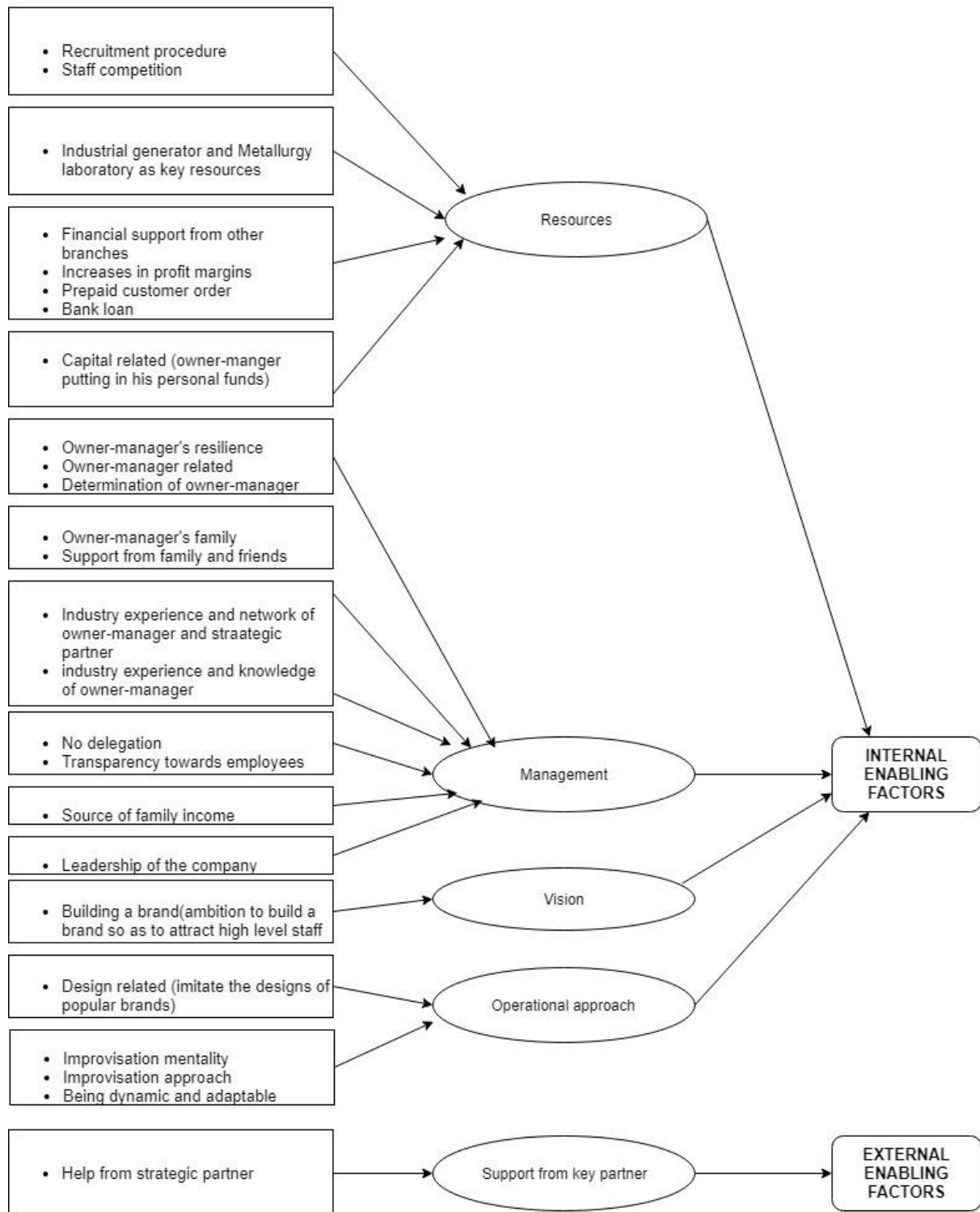
## RESEARCH OBJECTIVE 2: BUSINESS MODEL RECONFIGURATION PROCESS



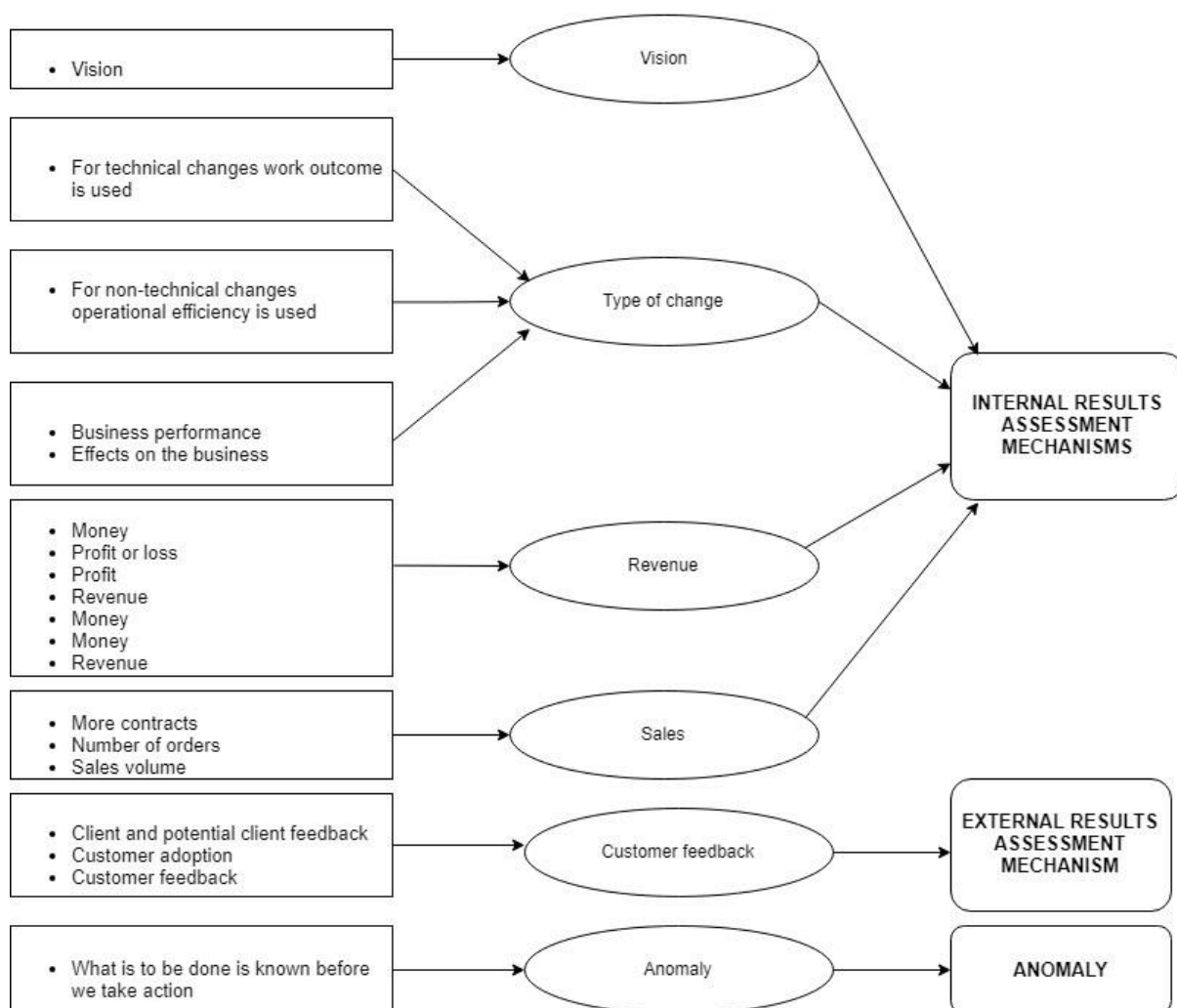
### RESEARCH OBJECTIVE 3A: BUSINESS MODEL RECONFIGURATION CONTEXT



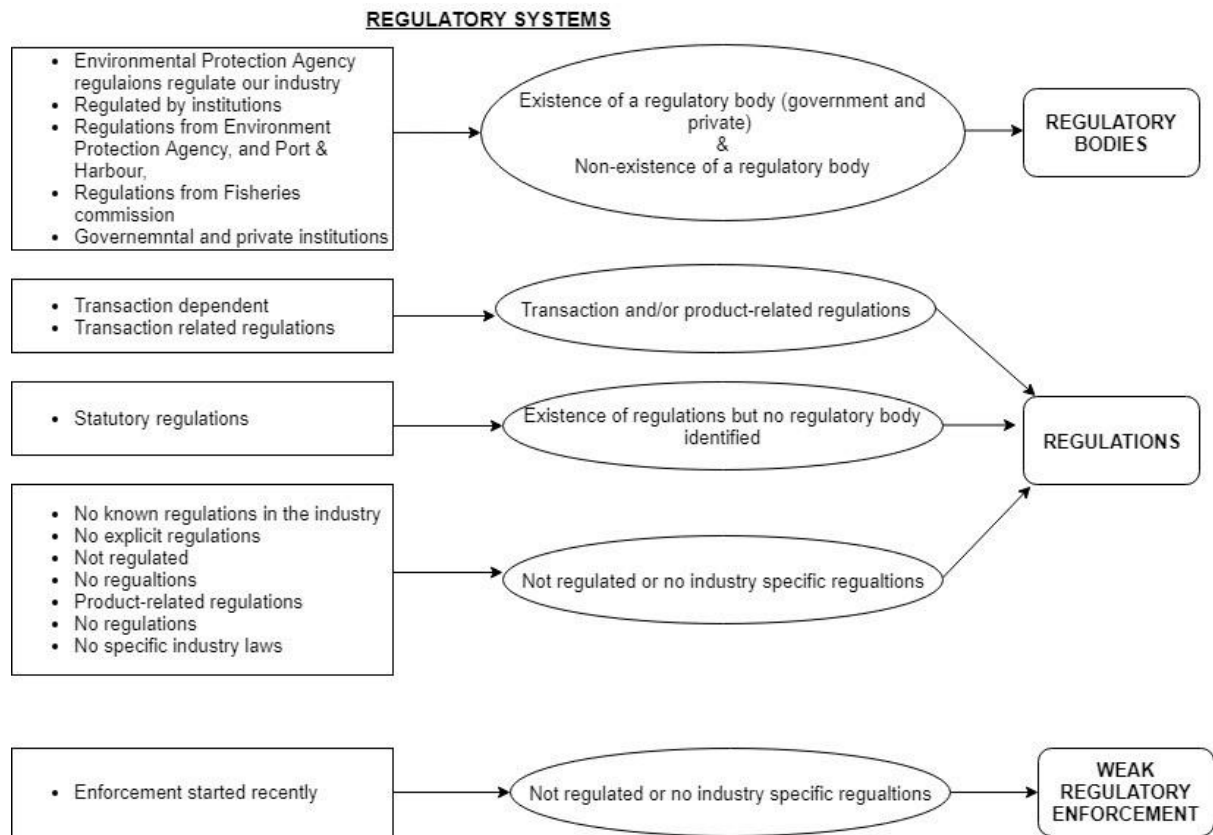
# RESEARCH OBJECTIVE 3B: ENABLING FACTORS FOR BUSINESS MODEL RECONFIGURATION



#### RESEARCH OBJECTIVE 4: RESULT ASSESSMENT MECHANISM



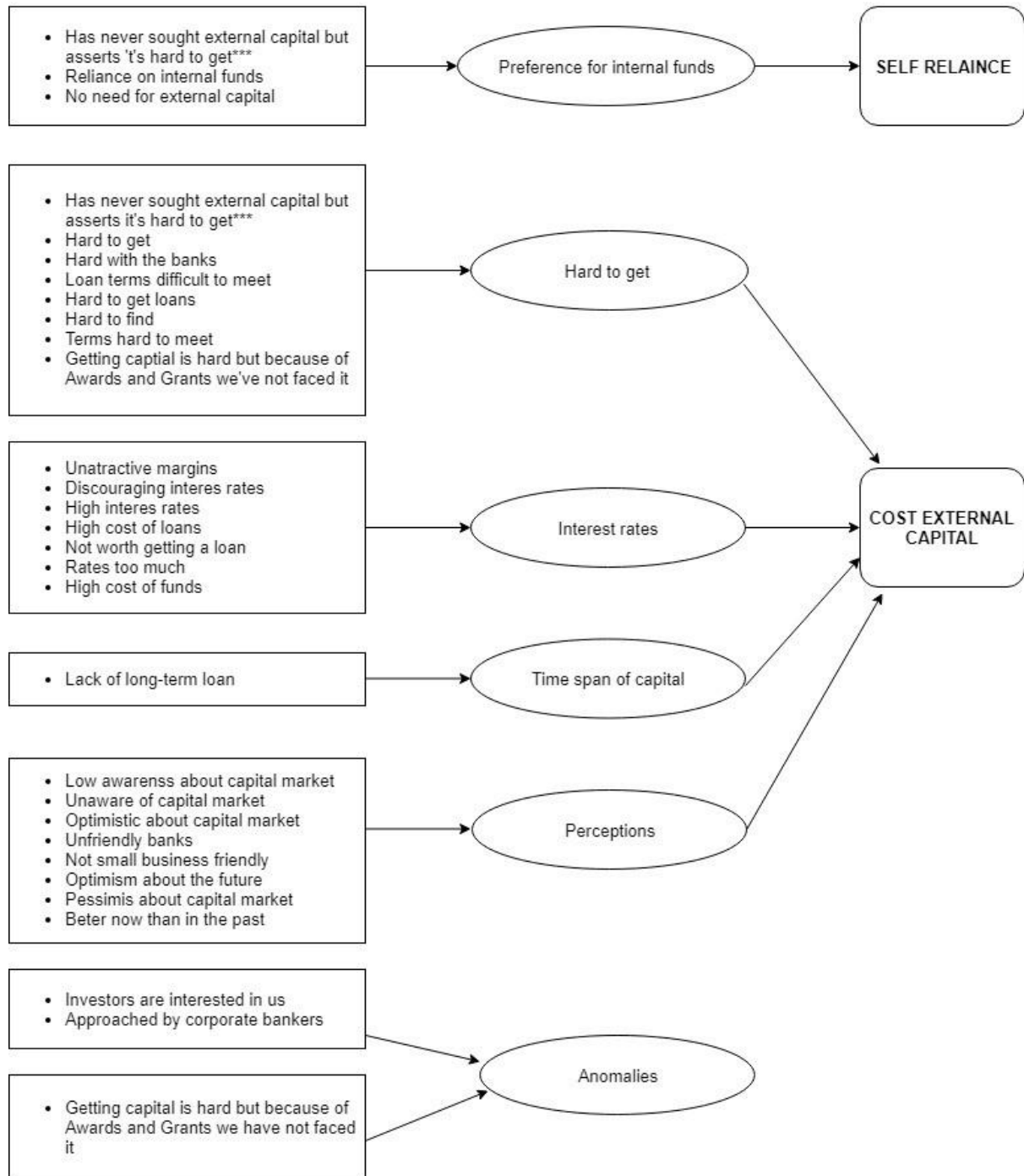
### 3. SMEs VIEW ON THE INSTITUTIONAL CONTEXT



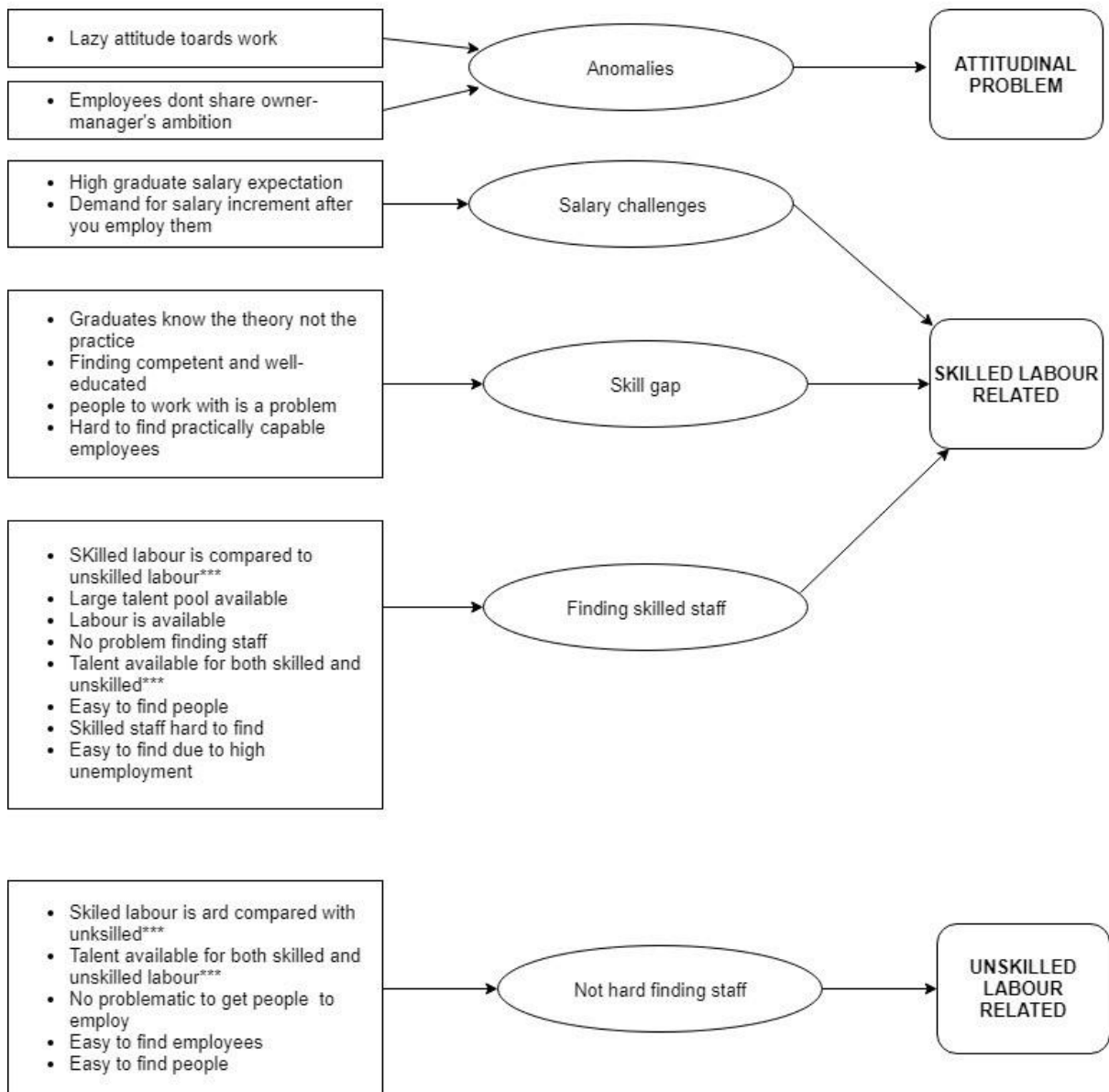
## PRODUCT MARKET



## CAPITAL MARKET

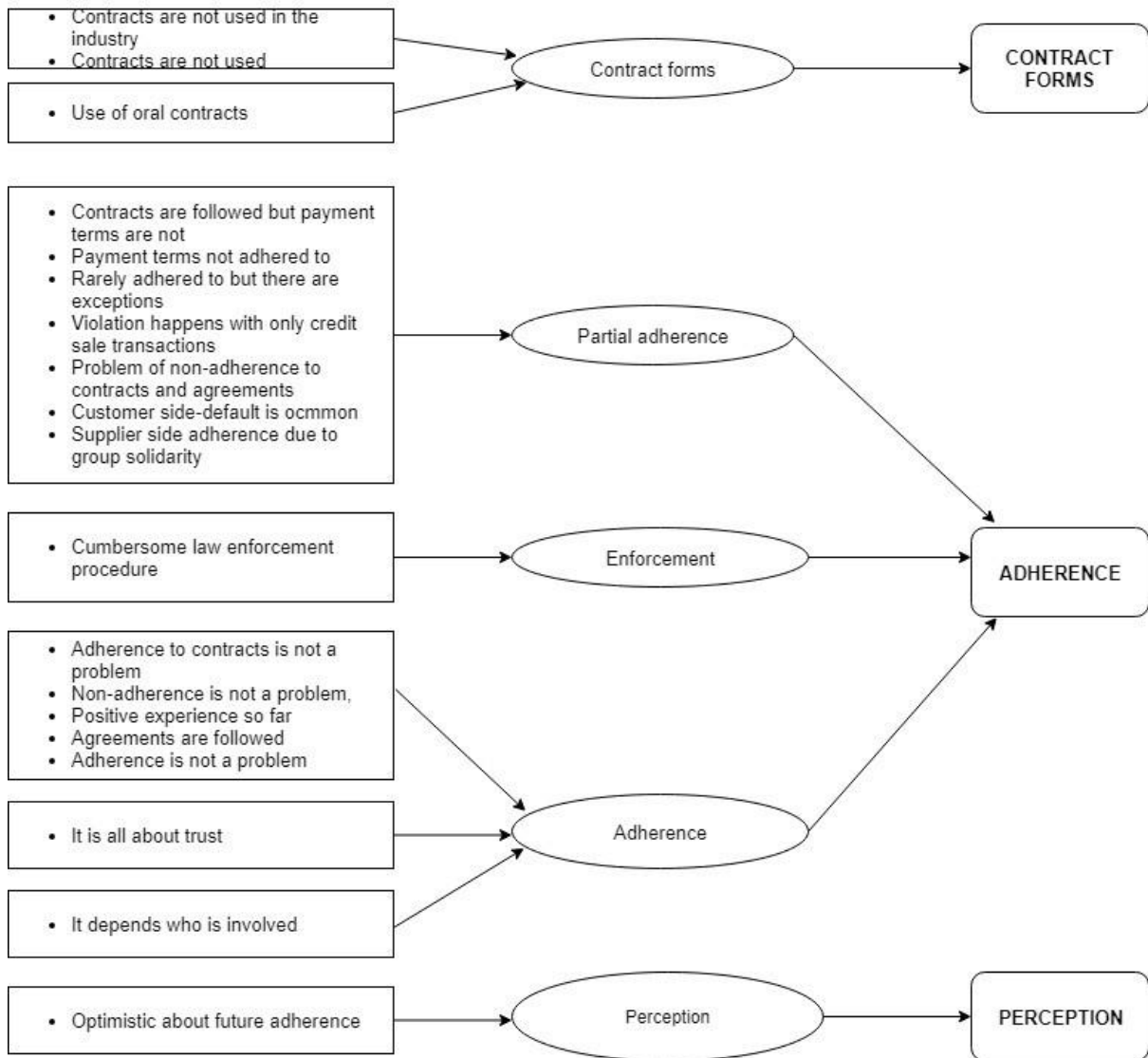


## LABOUR MARKET

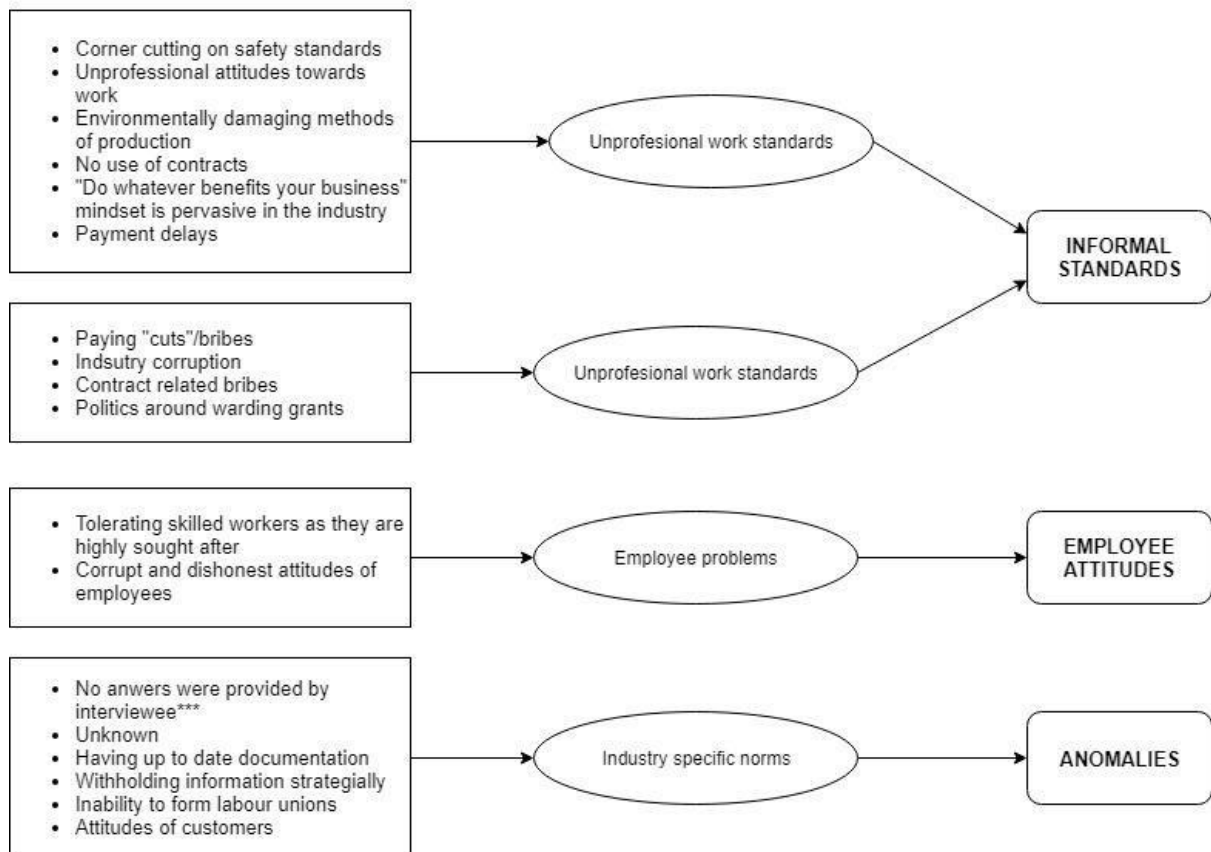




# CONTRACT ENFORCEMENT MECHANISM



### INFORMAL INSTITUTIONS



**APPENDIX I: PARTICIPANT SMEs AND INTERVIEWEES AT A GLANCE**

<b>BUSINESS NAME</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>	<b>K</b>	<b>L</b>	<b>M</b>	<b>N</b>
<b>Location</b>	Accra	Accra	Accra	Accra	Accra	Tarkwa	Accra	Cape Coast	Accra	Offinso	Accra	Accra	Accra	Tamale
<b>Branches</b>	3	0	0	4	0	0	0	0	0	0	3	0	0	0
<b>ISIC</b>	8129	1410	7310	8230, 1811	7490	0990	2011	4530	7490, 8549	0322	5610	7410	5820	4620
<b>Ownership</b>	Sole	Ltd	Ltd	Ltd	Ltd	Ltd	Ltd	Sole	Ltd	Sole	Ltd	Ltd	Ltd	Ltd
<b>Approx. value of fixed assets (GHS '000)</b>	100-130	not disclosed	60-100	not disclosed	10	4,000-5,000	20	120-150	800	300-500	30	100-150	not disclosed	16,000 - 20,000
<b>Approx. value of fixed assets (GBP '000)</b>	17-22	not disclosed	10-16.7	not disclosed	1.7	650-750	3.3	20-25	133	50-83.3	5	16.7-25	not disclosed	600-800
<b>Full time staff</b>	9	8	12	12	16	15	11	12	8	5	22	19	28	27

<b>Part-time staff</b>	0	0	0	0	0	0	0	0	0	0	0	7	0	0
<b>Seasonal staff</b>	3-5	0	3	0	0	0	0	0	0	5-10	0	0	16	40-100

<b>International Standard Industrial Classification (ISIC)</b>	
<b>8129</b>	Other building and industrial cleaning activities
<b>7410</b>	Specialized design activities
<b>1410</b>	Manufacture of wearing apparel, except fur apparel
<b>7310</b>	Advertising
<b>8230</b>	Organization of conventions and trade shows
<b>1811</b>	Printing
<b>7490</b>	Other professional, scientific and technical activities n.e.c.
<b>0990</b>	Support activities for other mining and quarrying
<b>2011</b>	Manufacture of basic chemicals
<b>4530</b>	Sale of motor vehicle parts and accessories
<b>8549</b>	Other education n.e.c

<b>0322</b>	Freshwater aquaculture
<b>5610</b>	Restaurants and mobile food service activities
<b>5820</b>	Software publishing
<b>4620</b>	Wholesale of agricultural raw materials and live animals

<b>BUSINESS NAME</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>J</b>	<b>K</b>	<b>L</b>	<b>M</b>	<b>N</b>
<b>Role</b>	Owner-manager	Owner-manager	Managing Director	Owner-manager	Ownermanager	Managing Director	Ownermanager	Owner-manager	Owner-manager	Owner-manager	Owner-manager	Managing Director	Managing Director	Ownermanager
<b>Gender</b>	Male	Male	Male	Male	Female	Male	Male	Male	Male	Male	Female	Male	Male	Male
<b>Age</b>	31-35	31-35	36-40	31-35	31-35	31-35	26-30	51-55	26-30	31-35	41-45	51-55	41-45	41-45

<b>Educational level</b>	Graduate	Basic	Graduate	Graduate	Postgraduate	Graduate	Postgraduate	Secondary	Graduate	Graduate	Graduate	Graduate	Postgraduate	Postgraduate
<b>Interview time</b>	2 hrs 14 mins	1 hr 52 mins	1 hr 20 mins	41 mins	1 hr 40 mins	1 hr	45 mins	50 mins	1 hr 10 mins	1 hr 52 mins	1 hr	1 hr 19 mins	45 mins	1 hr 7 mins

# The Business Model Canvas

<h2>Key Partners</h2> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners?</p> <p><b>Motivations for partnerships</b> Optimization and economy Reduction of risk and uncertainty Acquisition of particular resources and activities</p>	<h2>Key Activities</h2> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><b>Categories</b> Production Problem Solving Platform/Network</p>	<h2>Value Propositions</h2> <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p><b>Characteristics</b> Newness Performance Customization "Getting the Job Done" Design Brand/Status Price Cost Reduction Risk Reduction Accessibility Convenience/Usability</p>	<h2>Customer Relationships</h2> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p><b>Examples</b> Personal assistance Dedicated Personal Assistance Self-Service Automated Services Communities Co-creation</p>	<h2>Customer Segments</h2> <p>For whom are we creating value? Who are our most important customers?</p> <p>Mass Market Niche Market Segmented Overlapped Multi-sided Platform</p>
	<h2>Key Resources</h2> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p><b>Types of resources</b> Physical Intellectual (brand patents, copyrights, data) Human Financial</p>		<h2>Channels</h2> <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p><b>Channel phases</b> 1. Awareness How do we raise awareness about our company's products and services? 2. Evaluation How do we help customers evaluate our organization's Value Proposition? 3. Purchase How do we allow customers to purchase specific products and services? 4. Delivery How do we deliver a Value Proposition to customers? 5. After sales How do we provide post-purchase customer support?</p>	
<h2>Cost Structure</h2> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><b>Is your business more:</b> Cost Driven (lowest cost structure, low price value proposition, maximum automation, extensive outsourcing) Value Driven (focused on value creation, premium value proposition)</p> <p><b>Sample characteristics</b> Fixed Costs (salaries, rents, utilities) Variable costs Economies of scale Economies of scope</p>	<h2>Revenue Streams</h2> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <table><tr><td><b>Types</b> Asset sale Usage fee Subscription Fees Lending/Renting/Leasing Licensing Brokerage fees Advertising</td><td><b>Fixed pricing</b> List Price Product feature dependent Customer segment dependent Volume dependent</td><td><b>Dynamic pricing</b> Negotiation/bargaining Yield Management Real-time Market</td></tr></table>	<b>Types</b> Asset sale Usage fee Subscription Fees Lending/Renting/Leasing Licensing Brokerage fees Advertising	<b>Fixed pricing</b> List Price Product feature dependent Customer segment dependent Volume dependent	<b>Dynamic pricing</b> Negotiation/bargaining Yield Management Real-time Market
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